NEW YORK TIMES AND THE WASHINGTON POST

### Russia Steps Up Grozny Assault Chechnya Sees Bombing as Demoralization Tactic

By Michael Specter

GROZNY, Russia - In a major escalation of the war for the separatist Chechen Republic, Russian jets struck at the center of Grozny on Monday night after helicop-ters and artillery units unleashed a fierce

offensive on the villages that ring the capi-The bombing began late Sunday when it became clear that the negotiations between President Boris N. Yellsin and the Chechen leader, Dzhkokar Dudayev, were not advancing, but it increased throughout the

day Monday. Mr. Dudayev called for new talks late Monday and said military action should be halted, the Itar-Tass news agency said. Itar-Tass did not make it clear if Mr. Dudayev was offering a cease-fire.

Reuters reported that Russian troops captured the village of Petropavlovskaya, just 10 kilometers (6 miles) from Grozny, pushing Chechen fighters back to the edge

In Moscow, the news agency Interfax reported that Sergei A. Filatov, Mr. Yelt-sin's chief of staff, said that the blockade

of Grozny would be completed Monday and that the southern corridor, which Russia had left open to permit civilians to flee the city, would be blocked off.

The government issued a statement repeating its promise to step up military action to bring the republic into line.

Russian soldiers were closing in from the west at Dolinskoe, which has sustained the heaviest lighting to date. In the last day, bombers have attacked the capital's television tower, a major gas pipeline on the southern edge of the city and an electrical station in the north.

Although the Russians appear to have tried to bomb mostly strategic positions in the capital, warplanes struck at a residential neighborhood on Monday for the first time, hitting Oktoberskaya, on the edge of Grozny. There were no injuries in that bombing, but two houses were destroyed.

The Chechen press service said that seven Russian tanks had been destroyed and that many Russian soldiers had been killed, but the number of casualties in fighting around Grozny on Monday could

not be independently determined. "We are now surrounded on all sides

except for the mountains," said Musa Mirzhuyev, Mr. Dudayev's personal mili-tary adviser. When asked whether Russia was picking its targets carefully or bomb-ing indiscriminately, he replied: "The Russian empire was never capable of using a scalpel. It has always barged into other people's gardens with a bear's claw."

"What can be more strategic than demoralizing the population," he said. "This is a psychological attempt to drive our people from their capital."

Nobody was fleeing, in part, perhaps, because there was nowhere to go. In fact, there was little motion in the capital, which was covered with snow and wrapped in a thick, impenetrable fog from dawn to dark. The fog may be the only thing preventing Russian troops from cutting all remaining roads to the city.

Lights were dimmed in the Presidential Palace, where enormous sides of beef were stacked on the tables in the unheated lobby. Next to them, reserved for dozens of soldiers milling about the palace, were jars of spiced pickles and bread donated by

See RUSSIA, Page 8



Mr. Carter waiting to begin a tour of Sarajevo on Monday.

### The Harsh Tones Coming From Beijing

#### Nervous About Deng's Health, Chiefs Try to Prove Toughness

By Patrick E. Tyler New York Times Service

BEIJING -- With a new wave of repression and nationalistic bluster on issues like trade and national defense, Communist Party leaders are asserting their authority in ways that Western diplomats attribute to the further decline of Deng Xiaoping's

As Mr. Deng's health has deteriorated through the fall, the Chinese leadership has handed down long prison sentences to dissidents, increased overall security in Beijing and threatened trade retaliation \against the United States if Washington cracks down on the rampant pirating of compact disks in China.

Trade Minister Wu Yi said last week that a trade war would crupt if Washing-

- - -

ton decided on sanctions over copyright piracy in China.

The day when the United States produces its list for retaliation will be the day when China produces its own," Ms. Wu told the official People's Daily.

What's more, negotiations over China's bid to enter the World Trade Organization by the Dec. 31 deadline have been marked by rising political rancor.

At the same time, while military cooperation between the United States and China has been improving, a cat-and-mouse encounter between an American aircraft carrier and a Chinese nuclear submarine in late October has rankled Chinese officials and resulted in sharp recriminations.

Pentagon and State Department officials have confirmed the incident, which was first reported by the Los Angeles

Times, saying that the carrier battle group of which the Kitty Hawk was a part detected one of China's five Han-class nuclear attack submarines in the Yellow Sea. The carrier's anti-submarine escorts dropped sonar buoys to track the submarine, which headed for its base at Qingdao on the Shandong Peninsula, and China scrambled air force jets that flew within sight of the American battle group as it tracked the

At a dinner with a U.S. military attaché in Beijing, a Chinese official later asserted that another such incident could lead to a military clash.

American analysis attribute the tough talk to political uncertainty in Beijing. "No one dares be anything but a strong

See CHINA, Page 8

### Clinton Proposes a Dramatic Overhaul

By Paul F. Horvitz

WASHINGTON - President Bill Clinton announced a major effort on Monday to shrink the size and reach of the federal government, and he challenged the new Republican-controlled Congress to help him without "rhetoric and recklessness." Many of the suggested changes would

have been considered revolutionary only a

But in the context of the lean-government demands of Republicans and independent voters, the White House has become an ardent bidder in a political process that has the potential to remake quickly the very concept of what the U.S. government should be.

"We are rethinking what it is that the federal government ought to do," said the White House budget director, Alice M.

Republicans, for example, insist that entire departments of the government should be eliminated, a course the White House rejected on Monday. And Republicans vow to come up with even deeper overall

spending cuts. The next House Budget Committee chairman, John R. Kasich of Ohio, said he was "encouraged" by the president's ac-tion but declared: "He hasn't gone far

enough." Notably, the current wave of cuts is largely designed to offset tax breaks that both the White House and the Republicans are promising. Only 18 months ago, the fever for cuts was focused on reducing the federal deficit.

These are some of the major changes envisioned by Mr. Clinton, designed to save some \$20 billion over the next five years and decentralize government func-

• The Department of Energy would turn over management of its national petroleum reserve to private oil companies and stop selling below-market electric power from federal hydroelectric dams.

• The Transportation Department would transform the air traffic control

#### Serbs Agree To 4-Month Cease-Fire, **Carter Says**

White House Cautious After Rejecting Earlier, Conciliatory Approach

By John Pomfret

Washington Post Service PALE, Bosnia-Herzegovina - Former President Jimmy Carter announced Mon-day that Bosnian Serbs had agreed to stop attacking Muslims and blocking their food as long as the two sides resumed peace negotiations.

The Clinton administration kept its distance from Mr. Carter's first day in Bosnia. While Washington may not back Mr. Carter's negotiating stance, the Serbs will undoubtedly be able to use the pronouncements to become even more intransigent in the face of international pressure to end Bosnia's war. (European officials are skeptical of Mr. Carter's mission. Page 2)

"I would only say that I think we've been pretty clear as to who we think the aggressors are - the Bosnian Serbs are the aggressors in this war," said the White House spokeswoman, Dee Dee Myers. The American people have had two years of what's happening on the ground there and to see both sides of the story."

Ms. Myers was responding to a statement by Mr. Carter, was invited by the Bosnian Serbs' leader and who contended that the American public had "heard pri-marily one side of the story" about Bos-

"It may be that today is one of the rare chances to let the world know the truth and to explain the commitment of the Serbs for a peace agreement," Mr. Carter told his Serbian hosts.

While Mr. Carter said any new talks must be held on the "basis" of an internationally brokered peace plan, the Serbs understood Monday's agreement to mean that the plan would essentially be dismantled in a move that could throw peacemaking efforts in Bosnia into disarray and leave the Serbs sitting on 70 percent of this

country.

"Yes, it is open to negotiation, yes, the whole plan," a joyous Nikola Koljevic, vice president of the self-proclaimed Republik Srpska, declared after talks ended with Mr. Carter. This is a victory for democracy, for us, for the Serbs."

The results of Mr. Carter's mission to Bosnia amounted to a triumph for the Serbs who have opposed the international peace plan from the moment it was issued in May. By winning the ear of a former American president, the Serbs won their first important public relations battle over the Muslims, who so far have done far better in that arena than they have in the

The Serbs also garnered several other diplomatic points from the former American president, who told Serbian leaders, blamed for the worst bloodshed in Europe since World War II, that their image had suffered from biased media coverage. And in an extraordinary statement, Mr. Carter

See CARTER, Page 8

A REAL COUNTDOWN ON HONG KONG — Three soldiers in snowy Beijing passing a clock installed in Tiananmen Square on Monday to count down the 925 days until Hong Kong returns to China in 1997.

#### Kiosk

#### Iraq Misled Inspectors, UN Asserts

UNITED NATIONS, New York (AP) — Iraq has misled UN inspectors investigating Baghdad's biological warfare program and has concealed radar used to track ballistic missiles, the United Nations said in a report issued Monday.

The report is likely to increase opposition in the Security Council for any early lifting of the UN oil embargo against Iraq. France and Russia have called for an easing of sanctions once

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## **Newsstand Prices**

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#### Czechs Seize 3 And Suspected Uranium-235

Compiled by Our Staff From Despatches

PRAGUE - Czech police have seized nearly three kilograms of what they suspect is uranium-235, which is used in nuclear warheads, and detained three people, including an expert in nuclear physics, the

Interior Ministry said Monday.

A ministry spokesman, Jan Subert, said tests were still under way on the radioactive material, which came from the former Soviet Union and was seized in Prague on Wednesday. But he said Czech experts were 90 percent sure that it was a highly enriched isotope of uranium-235.

Mr. Subert said two of those arrested were citizens of the former Soviet Union, but he refused to say from which country. The third man was a Czech nuclear physicist. The material, which was safely packed, carried a Russian certificate.

"According to the certificate it is highly enriched uranium," Mr. Subert said. "Uranium-235 functions as an explosive and it is used in the warhead of rockets."

The International Atomic Energy Agency in Vienna said it was concerned that such material could become available illegally, but noted that the amount was not

enough to make a bomb. The police, who had been tipped off, caught the three unarmed men as they drove through a suburb of Prague, he said, adding that seizure was the biggest of such material in the Czech Republic. The 90 percent euriched uranium-235 was stored in two cylindrical containers.

The three men were charged with illegal possession of nuclear material, a senior police officer said.

The Czech scientist has not been officially employed in the nuclear industry for several years, the police said. Smaller amounts of nuclear material

have been seized, notably in Germany. Specialists believe this was the first seizure See URANIUM, Page 8

#### system into a quasi-public corporation. See CLINTON, Page 3

By Keith B. Richburg

Washington Post Service

GOMA, Zaire - Enter the Japanese military camp situated among Goma's squalid refugee camps and your shoes are sprayed with disinfectant by a soldier litted with a yellow tank on his back. Fresh vegetables and meat are flown in on Japanese Air Force C-130 transport planes from Nairobi, prepared Japanese style, then served in a spotless mess tent.

After dinner, troops can call home twice a week on satellite phones or relax at the "Goma Hot Springs," a traditional Japanese bathhouse constructed in tents complete with slippers lined up at the entrance, potted plants and a view of Nyiragongo volcano as a scenic backdrop through an opening.

The 260-man Japanese military contingent here is served in style. It is the last foreign military unit assisting more than a million Rwandan Hutu who fled to Zaire in July after the takeover of their country by the Tutsi-dominated Rwanda

This operation is considered a first for Japan, an economic powerhouse still feeling its way to a larger political role - the

Japanese Troops Show the Flag in Style first time Japanese troops have been dispatched overseas for a

humanitarian mission under their own command. Japanese troops assisted in Cambodia and Mozambique, but both of those missions were defined as "peacekeeping" operations under a UN command, and the Japanese were given a limited role in areas considered safe and protected by troops from other nations.

After three months in Goma, the Japanese are now leaving they are due home before the end of the year - but their officers hope their brief tour has advanced an image of Japan in a little-known corner of this poor continent.

"When I arrived here, I asked, 'Do you know Japan?' and they said yes, because they know Toyotas" and other products made in Japan, said Yoshio Nagawa, a UN refugee official who laid the groundwork for the arrival. "But they never saw

the face of a Japanese." That has changed. Japan's military doctors at the Goma hospital treat about 50 patients each day. Its military engineers are building a drainage system at one refugee camp, and its

See GOMA, Page 8

#### Who's Chasing Whom in Fox Hunting? New Law Allows Police to Go After Animal Rights Protesters

By John Darnton

New York Times Service

SWINDON, England - A curious ritual plays out some early darkening afternoons on rural England's rolling green hills. Figures dart back and forth across the landscape, through the woods and across the glades. Everybody seems to be chasing everybody else.

The chain of himself and the chain of himself across the glades.

The chain-of-being goes like this: First comes the fox. Then the hounds. Then the hunters on horseback. Then the hunt saboteurs. Then the police. And these days there is apt to be a

journalist or two in the mix, along with photographers and various video crews, some taking pictures of the hunters, to be used in the animal rights crusade, and others taking pictures of the saboteurs, to be used in court.

Hunt "sabs," as they call themselves, have been around at least since the 1960s.

Their guerrilla tactics and occasionally violent dust-ups with the men and women in jodhpurs and scarlet, black and tan tunics, who sometimes cannot resist the temptation to deliver a sound blow with a riding crop, hardly qualify anymore as news.

But what is different is the new Criminal Justice Act, a centerpiece of Conservative legislation meant as an omnibus anti-crime measure to lift the party's sagging popular-ity. Its draconian provisions make life difficult for dozens of nonconformist British groups, including the counterculture dancers known as ravers, as well as squatters and environmental protesters.

The provision aimed specifically at hunt saboteurs is "aggravated trespass," which applies to disrupting lawful activities on someone else's land. It makes hunt sabotaging an easily prosecutable offense, and it sets a three-month jail sentence.

So far, it has led to the arrests of 70

people, none of whom have yet been sen-tenced, said Ben Ponton, spokesman for the national headquarters of Hunt Saboteurs. But it has not slowed the movement. Aubrey Thomas, 37, is a case in point. A worker at Heathrow International Airport, he is a veteran of the movement. He first went to try to break up a hunt as some-thing of a lark but was horrified by what !:

"It was in Surrey," he recalled. "The; chased the fox until it went to ground inside a drainpipe under the A23 motorway. They tried to dig it out, and finally one man picked up a pitchfork and spiked it and pulled it out and tossed it to the

"That was 21 years ago, and I've been sabbing just about every week ever since. I'm not going to quit now."
Hunt Saboteurs say there are 3,000 to

See HUNT, Page 8



WHAT'S THE BEEF? - French pig farmers protesting market price of pork Monday on a highway near Nantes.

### Carter Bosnia Trip Enrages Europeans

#### Diplomats Say 'Grandstanding' **Could Give Serbs Respectability**

By Joseph Fitchett International Herald Tribune

PARIS - In his free-lance statesmanship in Bosnia, Jimmy Carter is treading especially tricky new ground because this time, unlike in North Korea or Haiti, his actions can damage the interests of European governments involved in the crisis alongside the United States, according to officials in Europe.

"Put politely, we are skeptical; actually, we are livid at personal grandstanding liable to give the Bosnian Serbs a few minutes of respectability," a European diplomat at the North Atlantic Treaty Organi-

zation said Monday.

Mr. Carter seemed be losing his footing fast in Bosnia, pub-

licly concurring in claims that the Bosnian Serbs' cause has been misunderstood and neglected in the United States.

While European governments have sought to maintain a posture of neutrality in Bosnia, no experienced negotiator would have made a similar conciliatory statement in public at this iuncture.

Mr. Carter's comment did nothing to dispel Europeans' fears that he will be manipulated by Radovan Karadzic, the Bosnian Serbian leader. Speaking in Pale, the Bosnian

Serbs' stronghold, Mr. Carter heard Mr. Karadzic describe the Bosman Serbs as people fighting for their homes, not as aggressors from Serbia. Mr. Carter replied that he

could not dispute Mr. Karadzic's statement that the American people had primarily heard only one side of the story.

Despite their concern, West-

ern governments, too embar-rassed by their own performance in Bosnia to object publicly to letting another newcomer try peacemaking, have accepted the Carter mission, with France even providing a cautious endorsement.

The ray of hope is that Mr. Carter's trip will provide the occasion for the Bosnian Serbs to move out of their diplomatic isolation with a step toward a political settlement.

Mr. Carter, 70, said, "It may be that today is one of the rare chances to let the world know the truth and to explain the commitment of the Serbs to a peace agreement."

For Mr. Karadzic, the meeting may simply be an opportunity to suggest that there are cracks in the international sup-

port for the peace plan. For most European and U.S. officials, the risk looms much larger that Mr. Carter's conversations will fuel confidence among Bosnian Serbs and corresponding fears among Bosnian Muslims and undermine the current internationally backed peace plan.

Unfortunately, a European policymaker said, Mr. Carter's trip "fits a broader picture that the plan is suddenly no longer sacrosanci, at least not as much as it was a week ago when Western governments were looking

for a diplomatic rebound." Already, he said, leaders in Bosnia are anxiously waiting for signals from the talks that opened Monday in the Netherlands among Western governments about how to improve the effectiveness of their peacekeeping forces in Bosnia.

That military agenda, he said, will be closely scrutinized in Bosnia for hidden Western political intentions. For example, a key suggestion for better wintertime logistics involves se-curing a land corridor from the Adriatic to Sarajevo.

In Bosnia, that is liable to be read as something more, as a sign that the Western governments are shifting the focus away from the Muslim-held enclaves in western Bosnia.

If Mr. Carter's trip ends in failure, a European official said, it "is liable to be seen as more disguised American meddling - in Europe, not in Haiti or Asia.'

The Carter trip has already aroused suspicions in Europe because of the Clinton administration's last-minute decision to give it semi-official status by extending some U.S. logistical and political support.

#### 2 Israeli Soldiers Die In Lebanon Attacks

MARJAYOUN, Lebanon Two Israeli soldiers were killed and at least three wounded in guerrilla attacks in southern Lebanon on Monday, security officials said.

Israeli troops and their proxy militia retaliated by pounding Hezbollah positions in south Lebanon while Israeli warplanes buzzed the region.

### WORLD BRIEFS

### Another Child Kills Himself in Japan

TOKYO (AP) — A 10-year-old boy hanged himself in his home in eastern Japan, the police said Monday. It was the latest in a recent outbreak of similar youth suicides. A note, found in the room where his mother found him hanging by an electrical cord, said: "I want to go to a different life because I'm sick of this one."

The police said he was pronounced dead Sunday at a hospital near Kaminokawa, about 120 kilometers (75 miles) north of Tokyo. The police did not make public the boy's name and said they did not know whether he killed himself because of bullying at school, which has been the motivation behind at least three of five similar youth suicides in Japan in the last month.

#### A Warning to Foreigners in Karachi

KARACHI, Pakistan (Reuters) - Foreign embassies are urg ing their nationals to take extra precautions in Karachi, where at least 140 people have been killed in ethnic and sectarian violence this month, diplomats said Monday.

The U.S. Consulate's latest advice to Americans living in the southern port city is to stay away from districts where gunfire has been reported in the last few days. A consulate advisory also tells U.S. citizens to "avoid crowds, marches, funerals or protests, congested areas or obstacles (like burning tires or vehicles) in the road." It cantions them not to go walking or jogging in public

#### Iran Helps Iraq Sell Oil, U.S. Asserts

NICOSIA (Reuters) — The United States has accused Iran of helping Iraq violate the United Nations oil embargo and threatened fresh UN action to discourage such activity, the Middle East Economic Survey reported Monday.

The newsletter said the accusation was made in a letter to the United Nations Security Council's Sanctions Committee, which is charged with enforcing the embargo on Iraq's oil, imposed after Iraq invaded Kuwait in 1990.

#### Israel Bloc Survives Biblical Storm

JERUSALEM (Reuters) - The Israeli government on Monday easily defeated a no-confidence motion called by rabbis in Parliament in a feud over the character of the biblical King David.

Supporters of Prime Minister Yitzhak Rabin's Labor-led coalition beat the motion, 56 to 41.

Ultrareligious members of Parliament forced the vote over comment by Foreign Minister Shimon Peres last week that King David may have acted immorally 3,000 years ago when he slept with the wife of one of his warriors and sent the husband to die in battle.

#### Bulgaria Elects Former Communists

SOFIA (AP) - Popular discontent over lingering instability and falling living standards propelled the Bulgarian Socialist Party, the former Communists, into power in the country's parliamentary elections.

According to the election commission, the Socialists will command an absolute majority of 124 seats in the 240-seat Parliament. Their main rivals, the Union of Democratic Forces, will gain 68 Computation of the distribution of seats was based on 92i

percent of the votes counted in Sunday's election. Few changes were expected in the final tally, according to an election com-

#### Tamil Rebels Kill 3, but Talks Go On

COLOMBO (AP) - Tamil guerrillas killed three soldier: Monday, but rebel leaders and government officials went ahead. with discussions for their next round of peace talks.

The predawn attack on an army bunker occurred in Weli-Oya, 220 kilometers (135 miles) northeast of Colombo, Major General Gemunu Kulatunga, the military's spokesman, said in the capital.

#### For the Record

A chartered plane carrying families home for Christmas re-unions crashed in a remote mountainous area of Papua New, day. The plane had been chartered by the Missionary Aviation Fellowship of Melbourne.

#### TRAVEL UPDATE

LONDON (Reuters) — The Cunard shipping company agreed on Monday to produce individual compensation packages for about 500 passengers who missed out on a Christmas cruise on their QE2 liner because a refurbishment was not finished on time. It came up with the offer after one of the frustrated passengers. David Steene, an attorney, picketed its London headquarters have received an unreserved apology both for me and the other passengers? Mr. Steene said after meeting with Cupred of Eccle. passengers," Mr. Steene said after meeting with Cunard officials. who at first refused to see him.

U.S. citizens going to Bahrain should avoid crowds and exercise caution, following anti-government protests there, the State De-

by the state railroad.

Gasoline stations in Lagos, Nigeria's commercial center, had long lines Monday due to shortages of fuel that have spread throughout most of the country.

(Reuters) Albania slowed to a crawl as electricity was rationed by the

government because of drought in the river system supplying most of the country's hydroelectric power. The capital, Tirana, was lit only by car headlights.

Americans to that country imposed in 1985, at the height of the 1975-90 civil war, a Lebanese official said Monday. The ban also prevents Middle East Airlines from flying to and from the United States and selling tickets there.

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#### Priest's Crusade for Homeless Vexes French Leaders

PARIS — Abbé Pierre, a Roman Catholic priest who champions the poor, has burst into France's presidential election campaign by opening a spectacular crusade on behalf of the homeless. The 82-year-old priest, who has personified

France's conscience for 40 years, led 300 activists of the Right to Housing association who took over an empty building in Paris's chic Saint-Germain-des-Pres district on Sunday.

"I declare that we are here with 60 families in the name of the law," he told a small crowd.

He said the action was intended to highlight, a week before Christmas, the plight of 600,000 to 800,000 homeless people in France and 2 million more living in slum housing while many buildings stood empty. "We won't leave here until there is a guaranteed rebousing solution," said the squatters' leader, Jean-

Baptiste Evraud Edouard Balladur, the conservative prime minister, a likely contender in the two-round presidential elec-

prime minister promised that the police would not take any action to remove the squatters until alternative housing was found.

As a gesture of respect, Mr. Balladur also provided an official car for Abbe Pierre to take him back to his monastery in Normandy.

Not to be outdone, Mayor Jacques Chirac of Paris, Mr. Balladur's chief rival and the only declared conservative presidential candidate, quickly announced he would institute legal procedures to commandeer, for the homeless, empty apartments and offices owned

by large financial corporations. "I will do this immediately, but I stress that we are talking of those apartments and offices belonging to large financial groups and empty for speculative reasons," Mr. Chirac told TF1 television.

Mr. Chirac, seeking to strike a more social-minded image as the presidential election nears, was eager not to frighten the middle-class voters who are among his tion in April and May, immediately met Abbé Pierre staunchest supporters; some of them own apartments

and the association's founder, Albert Jacquard. The that they keep off the rental market for speculative or

Abbé Pierre's action was an embarrassment for Mr. Chirac, who is often held responsible for the "gentrification" of Paris by property developers since he be-came mayor in 1977. The developers have driven property prices up, forcing poorer families out of the

The squatters led by Abbé Pierre picked a five-story building in the midst of chic boutiques and restaurants and slated for conversion to luxury apartments.

The president of the poverty action group ATD-Quart Monde, Geneviève de Gaulle, said her organization would challenge all presidential candidates to pledge to enact a law to fight poverty. She is a niece of Charles de Gaulle's.

Abbe Pierre has fought for the poor since 1954, when he began a campaign to provide food, shelter and dignity for thousands of homeless people threatened with freezing to death in France's coldest postwar

#### Feud With Greeks? Albanians Puzzled

By Henry Kamm New York Times Service

GJINOKASTER, Albania - There are many ethnic dis-'putes that keep Balkan governments at loggerheads, but the one between Greece and Albania seems to find little echo among the people themselves.

Greece and Albania speak to each other harshly, have expelled diplomats and have ended military cooperation. There 'has been a fatal border raid as well as repressive measures against ethnic minorities and a political trial practices of Albania's Communist rule.

But in this mountaintop town near the Greek frontier, whose population of 29,000 consists mainly of ethnic Albanians, a visitor found no one to say an

unkind word about Greece. Ismail Kadare, a writer who comes from here and who now lives in Tirana, said: "There is something deeply wrong in today's relations. The dispute is day's relations. The dispute is draft constitution, President artificial; there are too many Sali Berisha of Albania, a friendships between Greeks

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in this southern region; and, across the border in Greece, about 250,000 Albanians have, since the fall of the dictatorship in 1991, found the employment that their own country, Europe's poorest, cannot offer. The money they send home is

money in Albania. Its own currency, the lek, is not accepted Because virtually all of the migrant workers have either no Greek visas or ones that do not regularly sends some back across the border. But it tolerates the huge majority because they fill jobs that Greeks refuse.

who are expelled sooner or later. There is widespread belief that the roots of the conflict may lie less in ethnic rivalry than in historical antagonism between north and south. In a referendum in November on a northerner who heavily pro-

Most Greeks in Albania live moted the draft, suffered a far sider this region as having been heavier defeat in this region than in the north.

Mr. Kadare, the writer, spoke of his lifelong affection for ethnic Greek classmates whose names he recalled fondly. One, Thanas Dino, a local journalist, echoed his friend's views. the largest source of convertible. Asked to define his sense of nationality, he said: "I'm a Greek of Albania, but in conscience and spirit I'm more Al-

in Albania is a statistic that has Greek rights. fallen victim to the disp which began in the Communist days when Greece accused Albania of singling out ethnic Greeks for special mistreat-Officials know that those

> Mr. Berisha said in an interview in Tirana that there were 70,000 to 80,000 Greeks. Na- minority is frightened to fight tionalists in Greece, who con-

stolen from their land when Albania was founded in 1913, put the number at 400,000. A Greek diplomat with close knowledge of the area estimated the total at 120,000. In a joint interview, two eth-

nic Greek leaders, Thoma Mico, a member of Parliament. and Vasil Cako, a senior regional official, sharply contrasted their strong loyalty to Albania with what they described as re-How many Greeks there are pression of campaigners for

pression by the secret police and the imprisonment of ethnic Greek advocates, Mr. Mico said: "The message to the minority is, 'If you are an activist, you risk prison.' We as representatives are isolated, and the for its legal rights."

#### **Peasant Rebels in Mexico** Warn of Renewed Fighting

By Tod Robberson ashington Post Service

MEXICO CITY - The peasant rebel Zapatista National Liberation Army announced Monday that it had mobilized for an imminent renewal of fighting and that thousands of its guerrillas had skirted a Mexican Army cordon to take up positions in towns across southern Chiapas state.

Although no fighting has been reported, news services said that armed and masked peasants had been seen at road blocks in some parts of the state

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and that at least one town hall rural village seized by peasants. but the report could not be con-

The mobilization threatened an 11-month cease-fire that went into effect two weeks after the Zapatistas, armed mostly with hunting rifles, launched their uprising on New Year's Day. The Zapatistas have on at least two previous occasions declared "red alerts" in anticipation of renewed fighting with the Mexican Army, only to dissolve back into the jungle.

The latest announcement, however, marked the first time the Zapatistas had claimed to have spread beyond their government-recognized zone. At a jungle news conference, the Zapatista leader. Subcomandante Marcos, described the mobilization as a "military action" to guard against any surprise attack by the Mexican

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network reported that a dyna- government could fall if a sigmite explosion occurred in one milicant majority of all four parties' back the call. Before the censure debate.

deputies are to vote on Mr. Berlusconi's 1995 draft austerity budget, which was approved in the Senate on Monday. Mr. Berlusconi repeated ear-

lier calls for early elections "to let the voters speak again."

liberal" former Communists. The Northern League leader. Umberto Bossi, said earlier that Mr. Berlusconi was "all finished" because more than 60 of the party's 103 lawmakers pledged to vote for the censure motion and their votes and those of the three opposition parties would topple the government.

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Outside of Be

### 3 Censure Motions on Berlusconi

Parties File

ROME - Parties of Italy's opposition and governing coalition presented three separate censure motions to lawmakers Monday against the government of Prime Minister Silvio Berlusconi, the parties said.

The embattled prime minister and businessman hit back by calling for early elections and denouncing what he called the "betrayal" of the electorate that the motions represented. The first motion was made by

a Marxist party, the Communist Re-establishment Party, the second jointly by the federalist Northern League and the centrist Popular Party, the former Christian Democrats. The third motion from the former Communists, the Party of the Democratic Left. The League is nominally a Berlusconi ally.

The motions will be debated had been seized by gunmen.

Mexico City's Radio Red

Wednesday and are to be voted on Friday. Mr. Berlusconi's

> Addressing supporters of his Forza Italia party in his Milan stronghold, he denounced the motions as a "betrayal" of the electorate should they lead to the formation of a new administration incorporating the "non-

**Cunard Yields to Angry Passengers** 

Away From Pol

Man Admir

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lation Voriega

The Steenes, who paid £19,000 (\$29,600) for the trip, were among 190 passengers left on the dock when the QE2 sailed from Southampton on Saturday for New York. Another 300 people had been told by Cunard earlier that they would not be able to travel. Their cabins were not ready because contractors had failed to complete the plumbing. Cunard initially offered a refund, plus a free cruise next year and £250 spending money.

partment advised Americans traveling abroad. Seven people died and 53 suffered frostbite in Moscow after

emperatures plunged below minus 25 degrees centigrade (minus 13 degrees Fahrenheit) over the weekend. The Interfax news agency said all the victims had been drinking heavily. (Reuters) Hundreds of railroad workers marched in Oslo and held wildcat strikes around the country Monday to protest cost-cutting plans

Lebanon will try to get the United States to lift a travel ban on

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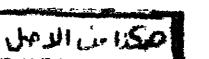
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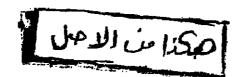
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## THE AMERICAS / PRESSING VERY HARD'

## Pilots Thought They Were in South Korea, Tapes Show

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THE THE PARTY OF T

ildical Storm

New York Times Service
WASHINGTON — The Pentagon released tapes Monday in an effort to to show that the two army pilots whose thought they were," a senior Pentagon helicopter strayed into North Korea official said at a news briefing. "Why before going down were not on a hostile surveillance mission and thought were we don't know." they were in South Korea.

a turn for the worse if North Korea did not soon release one of the captured pilots and turn over the remains of the Dee Dee Myers, said the administra-

tingly strayed north of the demilitarized zone, Pentagon officials released

South, now hold the key to po-

And politicians have already

though they went down seconds later about 27 kilometers (17 miles) away in States moves to improve relations with Hall was in North Korean custody and to the helicopter went down, while Mr.

"We clearly want an early resolution to the helicopter went down, while Mr.
Hall was in North Korean custody and to the helicopter went down, while Mr.

North Korea.

"Clearly they were not where they
"Section Pentagon

"We're doing the very best we can." other. Their helicopter went down Friday night north of the demilitarized day night north of the demilitarized return of the body of Chief Warrant and capturing Mr. Hall. But the Pentagonal Control of the demilitarized return of the body of Chief Warrant and capturing Mr. Hall But the Pentagonal Control of the demilitarized return of the body of Chief Warrant and capturing Mr. Hall But the Pentagonal Control of the demilitarized return of the body of Chief Warrant and capturing Mr. Hall But the Pentagonal Control of the demilitarized return of the body of Chief Warrant and capturing Mr. Hall But the Pentagonal Control of the demilitarized return of the body of Chief Warrant and Capturing Mr. Hall But the Pentagonal Control of the demilitarized return of the body of Chief Warrant and Capturing Mr. Hall But the Pentagonal Control of the demilitarized return of the body of Chief Warrant and Capturing Mr. Hall But the Pentagonal Control of the demilitarized return of the body of Chief Warrant and Capturing Mr. Hall But the Pentagonal Control of the demilitarized return of the body of Chief Warrant and Capturing Mr. Hall But the Pentagonal Control of the demilitarized return of the body of Chief Warrant and Capturing Mr. Hall But the Pentagonal Control of the Contro

their last radio message in which they west, the State Department said the White House announced Sun-

the North. "The American people are clearly very concerned about the fate of these two crewmen," said Mike McCurry, the State Department spokesman.

The American people will in some The Clinton administration also news briefing to push for an "early korea based on how North Korea reresolution" of the incident and said, sponds to our repeated requests for sense form a judgment about North sponds to our repeated requests for more information and more details

said they were at a site in South Korea, way Pyongyang handles the crisis will day that Mr. Hilemon was killed when Nations in New York.

parently uninjured. Mr. Clinton said he has asked Rep-

resentative William B. Richardson, a New Mexico Democrat who was visiting North Korea, to extend his stay to seek to negotiate the release of Mr. Hall and the remains of Mr. Hilemon.
"I've worked on this all weekend," Mr. Clinton said at the news briefing.

"I'm going to keep working on it."

American officials said Mr. Rich-North Korea has said it shot down ardson had several meetings Monday he helicopter, killing Mr. Hilemon in North Korea, while United Nations Asserting that the pilots had unwit
Officer David Hilemon and the return of Chief Warrant Officer Bobby Hall confirm whether the helicopter was village of Panmunjom. In addition, the military officials met with North Ko-Recognizing that North Korea is eashot down or was forced to make an State Department said there has been a ger to normalize relations with the emergency landing.

State Department said there has been a flurry of faxes and phone calls to North Korean diplomats at the United

pendent

dependent.

"We clearly want an early resolution

Mr. McCurry said. ■ Flights Halted Along Border

U.S. defense officials, who asked not to be identified, said that heliconters from the 4th Battalion of the 501st Aviation Regiment based at Camp Page northeast of Seoul would not fly along the border until an investigation of the downing was completed, news agencies reported.

The Democratic administration's delicate handling of the situation was matched by cautious statements by in-coming leaders of the new Republican-

majority Congress.
"I think we should be patient and be calm," said the incoming House speaker, Newt Gingrich "Let's work our way through this."

### Suburbia's Emerging Political Clout May Redefine the Rules

leaders have.

tails comfortably with Southern attitudes toward issues like the votes just two years before. "It's true that historically "It's true that historically the suburbs have been Republident of the Committee for the scientists, is suburban sprawl Study of the American Electorate, a nonpartisan research in-

According to a survey conducted by VNS, the organization that does the exit polling what you see is that suburbation the ABC, NBC, CBS and voters are moving more an Fox television networks, the more to independent. The subelectorate in 1992 identified it- urbs are too volatile and too self as 38 percent Democratic, various. One set of appeals may 35 percent Republican and 27 work in one suburb, but not in percent independent. In the another.'

suburbs, the lineup was 35 per-Until this year, a big Democent Democrat, 38 percent Re-cratic margin in the large induspublican and 27 percent inde-trial and unionized cities in states like Illinois, Ohio and In 1994, the nation as a whole Michigan virtually guaranteed identified itself as 37 percent the election of a Democratic Democrat, 35 percent Republigovernor despite the more concan, and 28 percent indepenservative Republican leanings dent. The suburbs were 33 perof the historically rural parts of

some analysts predict, is debat-

Especially in elections for the House of Representatives, votmany voters, rightly or wrongly, ing in 1994 was marked by as a populist party. And their striking Republican gains in the said William Schneider, a politincreasing conservatism on sosuburbs, some of which erased
ical analyst at the American Encial issues in recent years doveabnormally high Democratic

> role of religion in public life. But the major driving force can," said Curtis Gans, presibehind the shift, say political and the conservative attitudes it stitute. "But there is no reason

"Looking at long-term polls, what you see is that suburban voters are moving more and

cent Democrat, 37 percent those states.

Republican and 30 percent in-But in November, the Republican gubernatorial candi-The suburbs represent a pretty heavy swing vote today," dates came out on top despite strong urban support for their Democratic rivals, And it was said Murray Edelman, the head the suburban voters who made But whether this means a rise the difference.

#### Cash Drops Went to Clinton, Pilot Alleges

WASHINGTON - An independent counsel, Donald C. Smaltz, says he is investigating allegations made by a former pilot for Tyson Foods Inc. that he ferried envelopes from the company that were full of cash destined for Bill Clinton while Mr. Clinton was governor of Arkansas.

The pilot, Joseph Henrickson, who was dismissed from Tyson last year and later sued the company, alleges that on at least six occasions, mostly in the 1980s, he carried sealed white envelopes intended for Mr. Clinton from Tyson's headquarters in Springdale, Arkansas, to an airstrip in Little

Mr. Henrickson contends that, in each case, Tyson officials told him that the envelopes, which he said were a quarter-inch thick and filled with \$100 bills, were for Mr. Clinton. Most of the times he gave the envelopes to receptionists at the airstrip, but once Mr. Henrickson said he handed an envelope to a plainclothes state trooper who was waiting on the tarmac for the drop-off.

Mr. Henrickson's allegations are contained in this week's issue of Time magazine. The 43-year-old pilot declined to discuss the charges that he outlined in the magazine.

David E. Kendall, the personal lawyer for the president and Hillary Rodham Clinton, said: "I'm extremely surprised that these vague and baseless allegations are being irresponsibly bandied about. They are totally false and do not merit

#### **Gay-Rights Foe Has Friends in Capital**

WASHINGTON - When it comes to rules and regulations that confer equality on homosexuals, the Reverend Louis P. Sheldon is a tireless crusader. Against them. And given the new conservatism of Congress, he may have more influence over such measures than many gay or lesbian

Mr. Sheldon, a 60-year-old Presbyterian minister, is the founder and chairman of the Traditional Values Coalition, a national church network based in Anaheim, California, He puts the membership at about 31,000 churches, representing at least a dozen denominations.

Mr. Sheldon counts as a friend the new assistant majority leader of the Senate, Senator Trent Lott of Mississippi. The Republican senator was featured in the coalition's 1993 videotape. "Gay Rights/Special Rights: Inside the Homosex-

ual Agenda." In the House, Mr. Sheldon expects hearings on the subject of public school programs about homosexuality under a commitment he said he received in September from Representative Newt Gingrich, Republican of Georgia, the incoming speaker. Mr. Sheldon said Mr. Gingrich did not "want kindergarten children or elementary school children being taught, where federal dollars are involved, that the homosexual lifestyle is just another kind of diversity.

Although Mr. Sheldon's base is Orange County, California, the coalition has a substantial Washington office, in a pale-yellow Victorian town house on Capitol Hill, not far from where Mr. Sheldon grew up.

"We are here at the capital because the churches sent us here," he said in an interview. "We stand upon the principles of Judeo-Christian values and beliefs. And there is no way we are going to say that homosexuality is viable."

#### Quote/Unquote

Representative Dan Glickman, Democrat of Kansas and a loser in the November election, joking about Washington's notorious reputation for abandoning those out of power: "The only one working in the family now is our son, and he won't take our calls."

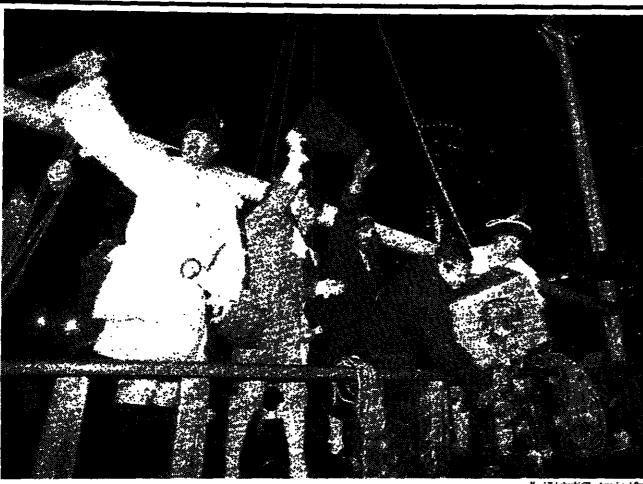
#### By Karen De Witt begun to see their futures shift- diversity of today's suburbs in the suburbs has implications it represents a reversal in tradi- in a Republican electorate, as New York Times Service ing, with Republicans predict- prevents one party from locking for the future of the nation as tional party constituencies. WASHINGTON - While ing a rosy future among the up the votes. But others say the profound as the shift from rural The Republicans, who have able. the 1990 census found that the land of malls and Democrats suburbs present a fundamental to urban at the end of the 19th long been identified with big majority of Americans live in bemoaning their fate. realignment between urban and century. business, are now viewed by the nation's suburbs, the na-Yet political analysts, de- suburban needs, between the "America has begun a suburtional election last month conmographers and academicians haves and the have-nots, as ban era of political control," firmed the demographic phe-

nomenon: suburban voters, and particularly those living in the presents a murkier picture than problems of poor urban resia simple win or lose scenario for dents.

either major party.

say the picture emerging of new more affluent citizens physicalpolitical muscle in the suburbs by distance themselves from the ical analyst at the American Enterprise Institute.

If party affiliation is any in-But experts concede, that an dication, that would appear to Some contend that the very electorate that resides primarily bode well for Republicans, and



BOSTON'S LATEST TEA PARTY — Modern-day Minutemen dumping British tea into Boston Harbor to mark the 221st anniversary of the Boston Tea Party, the colonial protest against British taxation without representation.

#### **Away From Politics**

• An air force officer accused in connection with the downing of two U.S. helicop-ters over Iraq in which 26 died, Captain Jim Wang, will be court-martialed. Charges against four other officers on the radar plane he served on have been dismissed, the air force said. (AP)

 An autistic teen-ager charged with mar-der after allegedly throwing his 5-month-old nephew out a fifth-floor window has a fixation with throwing household items from the apartment, New York police say. Even while police were interviewing him, 17-year-old Michael Holmes threw toiletries and other things out the window, a detective said.

• A man walked into a Chinese restaurant and killed a cashier before he and another person were killed following a 100-shot, four-block chase through a middle-class neighborhood, Rego Park in Queens, New York, the police said. (Reuters)

• Five days after it was stolen from a fresh grave and left on a secluded road,

the body of Melinda Ann Lee, a 20-yearold college honors student, was reburied in Dallas. The police have no motive or suspects but were investigating explanations ranging from the occult to an ob-sessed admirer. Miss Lee, a junior at Texas Tech University, died Dec. 7 from injuries in an October accident involving an allegedly drunken driver.

• One of five landing gears on a TWA Boeing 747 partly collapsed as the jet landed Sunday at Kennedy airport in New York City from San Juan. (AP)

#### CLINTON: One Blueprint for a Leaner Government **CNN Will Admit** Error in Showing

#### Tapes on Noriega MIAMI — Faced with a large fine, Cable News Network agreed Monday to tell viewers it

made a mistake by broadcasting taped jailhouse conversations of Manuel Antonio Nor-iega as he awaited his drug trial. As he prepared to sentence the network for contempt, Judge William Hoeveler of U.S. District Court gave CNN a choice: pay a substantial fine for contempt of court or broadcast an admission of error and pay only the costs of prosecu-

After a short recess, CNN agreed to admit it had made a mistake and pay the lesser court costs. Judge Hoeveler instructed the prosecution and defense

attorneys to work out the wording of the CNN broadcast.

Four years ago, the network quoted from leaked tapes of the deposed Panamanian leader's telephone conversations with lawyers. Mr. Noriega was later convicted of drug charges and is serving a 40-year sentence.

The Atlanta-based network argued it was legally entitled to broadcast the tapes because it had a journalistic responsibility o show what it suspected was government misconduct for saping Mr. Noriega's calls.

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#### cuts. He also said he would not Continued from Page 1

although controllers would still not be permitted to strike. The Department of Housing and Urban Development would consolidate funds from

60 disparate housing programs and give states the authority to disburse them. Residents of about reality." some public housing projects would be given vouchers to obtain housing elsewhere if they preferred to move. • The 60-year-old Federal Housing Administration would be privatized and compete in the insurance marketplace.

• The General Services Administration, the government's landlord and chief procurement agency, which directly or indi-rectly controls nearly \$60 billion in annual federal spending, says it will offer some pieces of its operations for sale to its em-

Mr. Clinton was also said to be considering cuts in rail subsi-dies, in funds for roads and for nuclear waste cleanup.
Some of the White House
proposals could be ordered
without legislation; others will

require congressional approval.

Despite the similarities in the direction being taken by Mr. Clinton, a Democrat, and by Republican leaders, major differences in their approaches remain. Many political analysts forecast a titanic battle over the federal budget that Congress is

to pass next year. On Monday, the president that tax cuts must be offset, problems needed a coordinated "dollar for dollar," by spending approach.

permit new cuts in the Social Security pension system or in the Medicare health insurance program for the elderly.

"We have not let rhetoric and recklessness dominate," Mr. Clinton said. "This has been

"I will oppose certain cuts," he said, "if they undermine our economic recovery, undermine middle class living standards, undermine our attempts to support poor people who are doing their best to raise their children and want to work their way into the middle class, undermine our attempts to improve education. protect our environment and move us into the future with a high-wage, high-growth econo-

Republicans have promised only to leave Social Security off the table as they fashion their own budget plan. And in their view, some tax cuts will not need to be offset by spending reductions because they will theoretically stimulate economic activity and produce more

This thesis is rejected by the White House.

The Transportation, Energy and Housing departments have often been mentioned by Republicans as targets for elimination, but Clinton administration officials argued Monday that the nation needed a way to ensure highway and air safety, laid down a firm political mark- that a national energy strategy er for the Republicans, saying was vital and that housing

The challenge for Republicans appears to be far greater than for the White House, Mr Clinton has said he plans a middle-class bill of rights that would include \$60 billion in tax

cuts and job training vouchers.

Many Republicans are rallying behind a proposal for some
\$200 billion in tax cuts. They promised over the weekend that they would enact tax cuts only after enacting offsetting spend-

Mr. Clinton's plan envisions \$76 billion in spending reductions to pay for \$60 billion in tax cuts and \$16 billion for deficit reduction. In addition to the points announced on Monday, Mr. Clinton has proposed stretching out a freeze on dis-cretionary federal spending through the year 2000, or two years beyond its 1998 lapse date. That should save about \$52 billion, the White House

Republicans say their plan, the details of which have yet to be announced, will neither add to nor reduce the federal deficit.

#### 5 Elephant Killers to Die

BEIJING -A Chinese court has sentenced five men, including two policemen, to death for killing 16 endangered elephants for their tusks, People's Court Daily said Monday. The Xishuangbanna Intermediate People's Court sentenced 14 others to suspended death sentences, life sentences or unspec-

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### Clinton Loses His Way

There was a speech to be given by the president the other night, but, alas, he didn't give it. And there is surely deeply felt and well-justified unhappiness among vast numbers of middle-income Americans who — to quote a phrase that Bill Clinton has made familiar — "play by the rules" and yet find the federal government in a variety of ways shoving them around, misusing their tax dollars and being pretty haughty and smug about it all the while. But the remedies the president set out don't get to the source of their grievances and don't really even acknowledge, let alone address, what those grievances are. The proposals had a hush-money quality to them.

All this is why we found the speech disappointing. With its blithe reversal of a sound policy regarding the danger of the federal deficit and its piecemeal offerings to a hostile electorate, the administration enters a bidding war with the Republicans that it can't win and in fact loses merely by entering.

For the first two years of his administration, Bill Clinton said that the deficit was the great threat to future prosperity. That was why he felt that at no small political cost to himself he had to propose raising taxes in Year One; it was also partly why he proposed health care reform and health care cost containment in Year Two. The health plan he actually introduced may have been a mess, but this reasoning was right. The first-year steps he took to drive down the deficit were Mr. Clinton's greatest accomplishment.

But already the deficit threatens to head back up again. What sense does it make in the face of such a recurring threat to reverse policy? And, to get down to political particulars, how can it be smart to invite a wider deficit that must inevitably drive up interest rates, hurting many of the same people the tax cuts are trumpeted as helping? The president says his tax cuts will be paid for, unlike, presumably, the larger ones the Republicans propose. But scraping together budget cuts to pay for tax cuts when the government is running deficits the size of these is circular

policy at best. Officials say there could yet be deficit reduction proposals in the rest of the budget, but it's hard to see where serious savings might come from.

Some of the tax proposals would be wasteful in other respects. In the name of increased savings, the president proposes an expansion of IRAs, or individual retirement accounts. But most of the evidence suggests that IRAs have not increased savings in the past. Some of these would also be so-called backloaded IRAs, whose true cost is understated because it wouldn't occur until well after the fiveyear estimating period that the budget rules require. House Republicans have also proposed backloaded tax cuts, including a backloaded IRA, which before last Thursday night administration officials reasonably denounced on grounds that the understated costs are a time bomb. The president likewise proposes grant-

ing tuition deductions for college and other post-secondary education to tax-payers with incomes up to \$100,000 a year. The cost would be met in part by imposing further caps on so-called discretionary spending subject to the annual appropriations process. It is not the president's intent, but among the programs that such caps could end up squeezing are most of the current forms of federal aid to education, including grants to the lowest-income college students. The third tax cut would be a children's credit for families with incomes up to \$75,000 a year.

We repeat: The president is right to believe that many middle-income people in the country find that hard though they work, they can barely keep their heads above water and that the government slights them, taxing more than ever it gives back. What isn't clear is that tax cuts of at most a few dollars a day are either going to make them change their minds when they see what the benefit is or change the circumstances about which they are unhappy. In some respects the cuts could make those circumstances worse. If that's a political winner, it will be the news of the century.

- THE WASHINGTON POST.

#### **Ban Olympic Cheaters**

Prince Albert of Monaco, a member of the International Olympic Committee, rates a gold medal for urging that athletes who use drugs to enhance their performance be banned from the Olympics for life. The problem has reached such disturbing proportions that only the most draconian penalties for all concerned - athletes, trainers, coaches, physicians and national sports federations - can deter further abuses.

The latest outrage is the drug-enhanced performance of the Chinese wornen's swimming team, which surged from nowhere a few years ago to overpower all other rivals. The Chinese took four silver Seoul, four golds and five silvers at the 1992 Olympics in Barcelona, and 12 of 16 gold medals at the world championships in Rome last September. Their dominance was so swift and so awesome that it immediately raised suspicions that they used drugs to build up muscle power.

China at first issued blanket denials. Then, after a dozen athletes, mostly swimmers, tested positive for steroids before or during the November Asian Games, China acknowledged the abuses but claimed that the athletes had acted on their own, not as part of a systematic program. China's drug-driven records mimic the earlier surge to world domi-nance by the East German women's swimming team, whose top medal win-

ners later acknowledged using steroids. Equally prodigious feats by Russians and East Europeans have been attributed to drugs, and Olympians from Europe. the United States and other nations have also been caught by drug tests and sent home from the Games. Such abuses are bad for the Olympics and for any sport, professional or amateur, where they occur. Drug cheating discourages athletes

who play by the rules, and no doubt entices many to use drugs themselves. Moreover, the false coin of drug-assist-

ed dominance unfairly diminishes the accomplishments of drug-free athletes. The Canadian sprinter Ben Johnson may have been stripped of his gold medal at the 1988 Seoul Olympics for using steroids. But the rugaer-up, America's Cari Lewis, never quite felt like the champion he deserved to be. The entire world had seen Ben Johnson burst powerfully from the starting blocks and crush him.

Prolonged use of drugs is dangerous for the athletes. Steroids can increase the risk of blood clots and adversely Wadler, a leading expert on drug use by athletes, recently suggested that mysterious deaths in Europe a few years ago among cyclists and orienteers (crosscountry runners who tear through rough terrain at high speed with map and compass) may have been caused by the abuse of drugs that enhance endurance.

The governing bodies of various pro-fessional and amateur sports have cracked down by conducting drug-test-ing programs and imposing penalties— but not with enough force to end the abuses. The testing must become far more comprehensive and hard to evade in all affected sports, with random tests administered virtually anywhere at any time, without advance warning. There must be safeguards to avoid tarring the innocent. But there must also be severe penalties for clear violations.

If those who use, administer or condone performance-enhancing drugs were banned from sports competitions for life, all concerned would hesitate to take even the smallest step toward

chemically enhanced stardom. - THE NEW YORK TIMES.

#### Other Comment

#### Yeltsin and the Chechens

Until now, Moscow had been able to ensure its interests in the Caucasian region by means that at times were highly dubious, but which always fell short of direct brute force. But by refusing to cave in to pressure, threats and subversion, the Che-chen leader, Dzhokhar Dudayev, has forced Moscow to show its true colors. Boris Yeltsin's intervention in Chechnya is no doubt intended as a warning to other Russian republics with separatist ambitions. It will, in any case, contribute nothing to the further democratization of Russia. Mr. Dudayev may not be a paragon of democratic virtue, but the question of

whether the Chechens have the right to an independent state must be answered by the Chechens, not by Russian tanks. Neue Zürcher Zeitung (Zurich).

Boris Yeltsin's hesitation in the face of the Chechen rebels should come as no surprise. The Russian president may well be playing for his political survival in this affair. Nothing would be worse, in the situation facing him, than a demonstration of force turning into fiasco. And it is clear that the Chechens, survivors or descendants of survivors of Stalinian deportations, are not impressed by the noise of Russian boots and tanks.

- Jacques Amalric, Libération (Paris).



International Herald Tribune ESTABLISHED 1887

KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER

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Directeur de la Publication: Richard D. Simmons Directeur Adjoint de la Publication: Kutharine P. Darrow

International Herski Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France. Editor for Asia: Michael Richardson. 5 Conterbury Rd. Sugapon: 0511. Tel. (65) 472-7768. Fax: (65) 274-2334
Mng. Dir. Asia, Rolf D. Kranepold. 50 Gloverter Rd. Hong Kong. Tel. 852-9222-1188. Fax: 852-9222-1190.
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## Yeltsin Should Seek Accommodation With Chechnya

WASHINGTON - The Chechens are hoodlums and religious fanatics; their criminal clans are running an island of banditry within the Russian Federation; their gross national product is stolen goods. What is more, they were on the side of the Nazis in World War II. That is what Moscow wants the world to believe, as the Red Army moves to crush the secession of Chechnya, a republic of a million fiercely independent Muslims.

An inkling that the disparaging assess-ment of Chechens may be Kremlin disinformation came in a New York Times opinion piece by John le Carré, the spy

#### The U.S. policy is to frown on any rocking of the Russian boat --- to favor stability.

novelist and longtime student of Islam. Other nonestablishment types have been rounding out the picture of the 1991 secssion of Chechnya from the Soviet empire. For two centuries, these mountaineers have resisted Russian rule and fought against the eradication of their culture. Like many Ukrainians, they welcomed By William Safire

Hitler's invaders as liberators from Stalin's tyranny; for this, they were murdered and scattered by the vengeful dictator until Nikita Khrushchev restored survivors to their homeland.

And like Ukraine, Chechnya seized the moment of the breakup of the Soviet Union to declare its independence in 1991. But it controlled no nuclear weapons and boasted no large army or navy. Although President Boris Yeltsin promised to leave it alone, he has refused to brook secession and has now sent his armed forces in to re-establish Russian rule in the capital, Grozny.

The reaction of the Clinton administration has been establishmentarian. The United States understands the need for Moscow to defend its sovereignty throughout the federation. If the Chechens are permitted to secede, other republics would follow. Possible results of this slippage toward subdivision: an-

archy, turnult, civil war.

The U.S. policy is to frown on any rocking of the Russian boat — to favor stability within the present federation. The State Department therefore "understands" Mr. Yeltsin's forceful imposition of national authority, with tanks and planes, within Chechnya. Clinton support of Russia's rejection of Chechen secession is unequivocal (because Jimmy

Carter has his hands full elsewhere). This is not an outrageous or outlandish American position. The Russian maffa is permeated by Chechen enforcers; Grozny is a center of crime and corruption; and militant Islam, its symbol a crossed crescent and Kalashnikov, is a threat to peace. If Russia is to retain sovereignty, it must take responsibility for law and

order within its borders. Moreover, the former Soviet air force general leading the independence movement, Dzhokar Dudayev, is no Jefferson Davis. The Chechen leader's hypocrisy was on display when he asked Turkey, which is waging war on its Kurdish Muslim minority, to intercede with Russia on behalf of its Chechen Muslim minority. Thus, a good short-term argument can

be made that the U.S. interest is in the stability that Mr. Yelisin's crackdown should bring. But is anybody in Foggy Bottom thinking past the next election. to the long-term interest of the United States? To be pragmatic: Any event that diminishes the likelihood of Russia's regaining superpower status is one to be encouraged, or at least not discouraged When George Bush, in his infamous "Chicken Kiev" speech, urged Ukraine to remain subservient to Moscow, he made the biggest geostrategic mistake of his presidency. Let Russia be Russian; and the smaller its imperialistic base, the

better for peace in the next century. To be principled, if that is allowed in modern diplomacy: The United States should not set its face against self-determination. When a distinct ethnic group in a specific place has a history of fighting for its freedom from oppression and if it is able to protect minorities within its territory — then America should be on the side of evolving autono-

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my and, ultimately, sovereignty. What should outsiders be rooting for in the showdown between the Kremlin and the fierce, often crooked secessionist Chechens? An accommodation.

President Yeltsin does not have to recognize the secession. Washington should quietly urge the Russians to back off, to claim a victory for restraint in a fuzzy compromise, and to make a hero of the tank commander who would not fire on civilians standing in his way.

The New York Times.

#### After Afghanistan, Russia Faces Another Muslim Challenge

NICOSIA — Boris Yeltsin seems to have decided to By John K. Cooley lims, who live in ethnic islets in their mountains and valleys. In our own time, when no one out-

subjugate Chechnya by military force. He should bear in mind the Chechens' historic links to militant Islam. Even if it is swiftly completed, President Yeltsin's military campaign against the tough rulers of what he once called a "state of bandits" could entail complications for both Eastern and Western Europe. Frustrated by their inability

so far to prevent a Muslim defeat in Bosnia, some Muslim powers, such as Turkey, Iran and Saudi Arabia, may feel drawn by the temptations of both history and strategy to support the godfather-like Chechen president, Dzhokar Dudayev.

I encountered what Russian gangbuster police call the "Chechen mafia" by accident in Moscow last winter. Emerging from a central Moscow metro station on a cold Saturday morning, I faced well-armed men wearing astrakhan coats and sheepskin hats. They guarded a huge open-air market for big luxury cars.

"l'd avoid that place, if I were you," said a Russian friend later. "Those guy are a law unto themselves. All those cars you saw were stolen, in Europe or the Middle East." It is the West's "Middle East"

which seems, to Russians, somehow to dominate the history of the Chechens and the other non-Russian peoples, mainly Musstant strife with a recalcitrant man Turks, who had conquered mean Tatars as well

side Chechnya recognized its declared independence from the former colonial power in Mos-

turned southward. He appointed as his "foreign minister" a Jor-In May last year, Mr. Dudayev made an unpublicized visit to Lebanon with some of his

cow, Mr. Dudayev has indeed

Law enforcement agencies in far-flung places will be on alert as Yeltsin tries to keep the lid on the Caucasus.

ministers, including those for religious affairs, oil and the economy. The Lebanese government refused to receive them, but they contacted leaders of Lebanon's Abhash Islamic Welfare movement, which is active in the Caucasus and Central Asia. And members of Hezbollah, the Iranian-backed Party of God, have reportedly commuted between Beirut and Grozny.

NATO intelligence reports say that one of Mr. Dudayev's chief domestic allies, in his con-

Chechen Parliament, has been a local branch of that grandfather of all international Islamism, the Muslim Brotherhood, Mr. Dudayer's critics have said he was going too far, it might be all right to uphoid independence from Moscow, but not to set up an Iranian- or Saudi-style Islam-

ic republic in Grozny. Grozny, after the Soviet withdrawal from Afghanistan in February 1989, became a railying and transit point for Arab veterans of the anti-Soviet war. From there they would take off to fight the new guerrilla wars in Egypt, Algeria, Bosnia, Kashmir and elsewhere. Some went to Sudan. There they have reportedly been imparting their killing skills, learned in CIA-managed training by U.S. and Pakistani special forces, to young guerrilla terrorist recruits who flock to the

green banner of Islamism. Through the long history of Russian-Turkish-Persian rivalry in the Caucasus run the tangled skeins of strife between the Islam predominant in Grozny and the official and now, in post-Communist times, revived Russian Orthodox Church.

Catherine the Great, Czarina of All the Russians, unleashed in 1762 a crusade. She sought access to the Black Sea's warmwater ports, and wanted to free Constantinople from the Ottoit from the Byzantine Greeks in 1453. Her crusade failed. During its course, Russians tried to subjugate Chechens, Georgians and hundreds of smaller nations and clans along their way. Also in 1762, Sheikh Man-

sour, a Chechen religious leader, unleashed holy war against the Russian invaders. He rejected the serfdom inflicted on other Caucasus people. Fierce strug-gles continued until 1829, when Czar Nicholas I demanded, in the crudest racist terms, the total uprooting of the Caucasian "blacks" (although most Caucasians are actually quite white). Nicholas's campaign of ethnic

cleansing against Muslims in Chechnya and elsewhere led only to even fiercer rebel violence. A new hero myth grew up around the figure of a leader called Jamil. His deeds were celebrated in more than 30 books published from 1854 to 1860. Only in 1877, after more than

a century of war, were the Cau-casus rebels crushed. A half mil-

lion Chechens, Circassians and others, burning with hate for the Russians, were deported into the already dying Ottoman Empire. It took a former Georgian theology student and examst police spy named Dzhugashvili, later the Communist dictator Joseph Stalin, to repeat the uprooting of

the Chechens, their next-door neighbors the Inguish and Dagestanis, and this time the Cri-

Stalin mistrusted their alle giance in World War II against the invading Germans. Chechen villages were wiped out overnight by artillery. Few Chechens were overlooked in the mass deportations to Central Asia. Nikita Khruschev, in the first, largely false dawn of the Soviet reform

era, brought them back in 1957. That Dzhokar Dudayev, carried into exile, he has said, as a child on his father's shoulders, was able after his return to make a military career that eventually won him the stars of a Soviet general is one of the more implausible success stories of the

old Communist empire. Those stars are of no more use to Mr. Dudayev. He may hope. however vainly, for help from Muslim allies abroad. What Moscow and NATO powers should carefully watch now is whether he has the capability, of which his supporters have boasted, to launch terrorist attacks in Russia or other states which the Chechens, involved in the drug and gun business from Moscow to Brooklyn and Los Angeles, believe may have crossed them.

Law enforcement agencies in far-flung places will be on alert as President Yeltsin tries to keep the lid on the boiling Caucasus.

Mr. Cooley, an ABC News correspondent, is preparing a book on consequences of the Afghanistan war. He contributed this comment

### America Needs China in GATT and the World Trade Organization

C'TANFORD, California -With the World Trade Organization scheduled to come into existence in January as the successor to the General Agreement on Tariffs and Trade, China is eager to achieve admission in time to become a charter member. It regards U.S. policy as the principal obstacle to this goal.

Beijing's desire for early mem-bership in GATT is understandable. So is the interest of other nations in subjecting China to the disciplines of the multilateral trading system, and to the requirements for transparency and reciprocity that GATT member-

ship requires. China has become one of the world's biggest economies. In terms of purchasing price parity, it is arguably already the second or third largest. China is a major force in world trade. And for the last few years it has been the engine of growth in the Asia-Pacific region, the world's most dynamic economic zone. The relatively low level of China's indigenous tech-nology and its insatiable demand for investment imply a huge and

that few trading nations can afford to ignore.

And the rapid growth of China's foreign trade is unlikely to threaten the overall balance of the global trading system. Since the demand for domestic investment regularly exceeds China's supply of savings, the deficit is regularly made up through im-ports. Consequently, China's wider participation in the global trading system is likely in general to have a larger trade-creating than

growing market for capital goods

trade-diverting effect on others. Moreover, since China mostly imports high technology and heavy industrial goods and exports light manufactured goods, its entry into the world market is likely to improve the terms of trade of developed countries such as the United States. Hence, America shares an interest in seeing Beijing take its place within

the multilateral trading system. U.S. policymakers have consistently declared support for Chinese membership in GATT, but they started detailed talks with Chinese representatives over the terms of a protocol of accession only a few months ago and staunchly resist China's entry as a "developing country."

Other advanced industrial democracies have reservations about China's admission with such stahis, but have been more circum-

By Michael H. Armacost and Lawrence J. Lau spect. They are content to leave along with some elements in the the onus in the protocol negotia-

tions on the United States. a variety of reasons. Political considerations are certainly in play. Prior to the Clinton administration's decision in May to de-link China's most-favored trading sta-

Early admission to GATT would be a victory for those in China who are struggling against the vested interests that seek to delay or reverse the reform policy.

tus from specific human rights conditions, Beijing saw GATT entry as a way to assure mostfavored treatment by all members. This argument is now moot, But China is still eager to gain GATT entry before Taiwan, not least to have a voice in determining the terms of admission for Taiwan. And Beijing is eager to enjoy the status and prestige associated with being a charter member of the organization that will fix and police multilateral trading rules.

Accession to GATT offers China major potential economic benefits, thanks to the results of the Uruguay Round of global trade negotations that are now in the final stages of ratification. A main benefit will be abolition of the Multi-Fiber Agreement, which

limited Chinese textile exports. However, GATT membership may also cause some ambivalence within China. The country's political leadership is determined to join, and the sooner the better. Its objective is to lock China into market-oriented refors and an open door policy. Acceding to GATT represents a Chinese commitment to progressively open its economy - a commitment which is likely to become less and less reversible with the passage of time. Thus, early admission would be a victory for those in China who are struggling against the vested interests seeking to delay or reverse the reform policy.

And resistance there surely is. State enterprises in particular doubt their ability to withstand

bureaucracy, might prefer to de-fer China's admission until they Beijing wants to join GATT for have perfected their "defense" against foreign competition in the form of standards, health and safety certifications, controls on the domestic distribution system, and other nontariff barriers.

In short, it would be a serious mistake to assume that Beijing's committment to join GATT is universally supported, or that the Chinese government is prepared to accept admission at any price. A rejection or prolonged delay

of China's application would weaken the hands of those advocating a more open economy. Meanwhile, Deng Xiaoping, the strongest advocate of such openness, may pass from the scene.

America stands to benefit from

China's admission. U.S. companies operate best in open, nondiscriminatory trade, which can be most readily assured if China participates in GATT. China has become one of the most rapidly growing markets for U.S. exports. Scores of U.S. multinationals are falling in line to compete for the huge infrastructure projects in energy, transport and telecommunications that Beijing will pass out in coming years.

Aside from hastening China's

development and its consequent ability to import more goods from trading partners, GATT membership will ensure that Beijing remains committed to implement the trade liberalization measures of the Uruguay Round. The United States stands to

gain as China increases its imports of food and agricultural commodities. America, as a major exporter of high-technology products, needs the additional intellectual property protection that Beijing would be obliged to give as a GATT member and Uruguay Round signatory.

If China is not admitted to GATT promptly, the opportunity and political costs could be substantial. There will be a loss in trade and other areas for nearly every country. U.S. political relations with Beijing would suffer, as America would be seen as the party principally responsible for China's exclusion.

If China stays outside GATT and the new World Trade Organization, it will have stronger incentives to resort to bilateral action on trade and other economic iscompetition from imports. They, sues. It is doubtful that this would

serve American interests, since other developed countries can supply most of the products that the United States exports to China, and Beijing will be eager to underscore the consequences of Washington's obstruction.

Denying China GATT mem-bership could also have a negative effect on the future of APEC, the Asia-Pacific Economic Cooperation forum which is committed to achieve free trade and investment in the region by 2020. Would a China excluded from GATT extend meaningful support to trade liberalization and trade facilitation within APEC?

The nub of the dispute between Washington and Beijing is over whether China should be considered a developing country for GATT purposes. This is not a small issue. By any measure of real GDP per capita, China is a developing country and will remain one for at least several decades. It is not surprising that Beijing insists on the same treatment in GATT as other developing countries, such as India.

At the same time, the size of China's population, the dazzling speed of its economic growth and its prowess in international trade make developed nations understandably nervous about the long periods of transition allowed to developing countries by GATT before they are required to extend full reciprocity and national treatment to their trading partners.

It is entirely reasonable for U.S. negotiators to seek to reduce this transitional period to less than the 10 years normally granted to developing countries. But the prospects for resolving this and other issues in the protocol negotiations will depend heavily on the spirit with which they are approached Will they be confronted as obstacles to be overcome or as excuses

for delay or inaction?
The United States has impressive leverage. China wants admission and is eager to get an early decision. America offers China a huge market. It supplies investment funds and the transfer of technology needed by the Chinese. However, Washington should not overplay its hand. It has an

interest in reinforcing China's commitment to an open international trading system and giving it a stake in GATT's success. America ought to support ear-ly entry of China into GATT and do everything possible to ensure that negotiators on both sides act with the flexibility necessary

to achieve that result. Mr. Armacost, a former U.S. ambassador to Japan, is the Walter H. Shorenstein distinguished stnior fellow and visiting professor at Stanford University's Asia/Pacific Research Center. Mr. Lau is Kwah Ting Li professor of economic development and co-director of the cen-ter. They contributed this comment to the Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

#### 1894: Dreylus on Trial

PARIS - The trial of Captain Dreyfus for treason commenced yesterday [Dec. 19]. The charge against him, it will be remembered, is of having sold secret documents from the War Office to the Military Attaché of one of the German Émbassies. A storm of polemics has during the development of the case been raging because the captain is of Jewish nationality, a fact which has been taken advantage of by a certain portion of the Paris press to start an anti-Semitist agitation.

#### 1919: Unruffled Paris

PARIS - London may startle the fashion world by adopting, as its newspapers suggest, blue breeches and ruffled shirts for evening wear for men, but it is unlikely

that even the most eccentric of Parisian males will yield to the temptation to attract attention-About the limit of change in men's fashions in the French cap ital, a Herald correspondent was informed by a prominent tailor. will be the gradual acceptance of brighter colored suitings.

#### 1944: Belgians Stunned

LONDON — [From our New York edition:] With the German Army driving back into Belging. Belgian civilians are hurners scrubbing from walls and build ings slogans derogatory to the Nazis, front dispatches said today [Dec. 19]. One correspondent told of seeing a man hastily washing from the side of his home a picture of Adolf Hitler receiving a kick in the pants. The Belgians, he said, were stunned by the turn of events

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### All His Upstream Swimming Has Toughened Christopher

By Jim Hoagland

WASHINGTON — After two years of swimming upstream been one of a series of things that I been one of a series of things that I in the uncharted waters of the post-Cold War era and occasionally floundering. Warren Christo-pher suddenly acts like a man with the current at his back. Adversity

gets him going.
Bill Clinton's secretary of state is a specialist in damage control, not in innovative policy-making. The free-form opportunities that followed the Soviet collapse were allen to his temperament. Problem solving is familiar territory.

A cynic might argue that damage control is a supply-side operation for the Clinton administration. If the problems that the Republican victory in Congress and the new nationalism of Boris Yeltsin create are not enough to give Mr. Christopher a chance to shine, his aides and rivals in the administration will supply more.

That is the case with the administration's lunge forward on NATO expansion, which is now being rolled back after having upset Mr. Yeltsin for no tangible U.S. gain.

Bosnia's crisis is now so bleak that holding the line, wherever the line happens to be, is a major accomplishment. Ditto for Mr. Christopher's unrelenting efforts to get the Israelis and Palestinians to stick to their autonomy deal and to keep the Israelis and Syrians talking.

This self-effacing Los Angeles lawyer would never see things that way. But in a reflective conversation, Mr. Christopher spoke with uncharacteristic relish about looming policy battles with the Republicans and about carrying out his "major responsibility for keeping America's big power relationships good."

The most immediate battle is over Bosnia, where Senator Bob Dole and other Republicans demand a lifting of the United Nations arms embargo against the Muslim government and air strikes against the Serbs. Mr. Clinton and Mr. Christopher (who initially advocated and then abandoned a lift-and-strike plan for Bosnia) suggest that their Republican critics risk plunging American troops into war in the Balkans.

Lifting the embargo would trig-ger a withdrawal of the NATOnation peacekeeping troops now in Bosnia and spark all-out war. That. Mr. Clinton said recently, could force the deployment of up to 20,000 U.S. soldiers to cover the withdrawal. Was the president's unexpected statement a warning to the Republicans as much as it was a

reassurance to the allies? "The president's statement," he

hope have brought home to people on Capitol Hill the reality that a unilateral lifting of the embargo has far-reaching consequences.

"I detect a more sober attitude on Capitol Hill," added Mr. Christopher, who recently labeled Mr.

Dole's stand the "war" option. Would be urge a Clinton veto of Dole legislation to lift the embargo? Won't say, was Mr. Christopher's predictable response, followed by: "But we ought to strongly oppose a unilateral lifting of the embargo." In Christopher-speak, that's as close to

'yes" as you get. What about Mr. Yeltsin's unexpected Dec. 6 blast in Budapest at the administration's recent effort to show leadership in NATO by gin-ning up talk of expanding the alliance into Central Europe?

Mr. Christopher would not concede that Washington misread Moscow and pushed too hard too fast, as others claim. But he did acknowledge that "something happened to make them think that we were going too rapidly" when viewed from Moscow. He will meet with the Russian foreign minister, Andrei Kozyrev, for several days in January, probably in Geneva.

Mr. Christopher's tone was conciliatory, indirectly underscoring re-ports that the administration is toning down talk of NATO expansion now that the U.S. midterm elections are past. "The hows of NATO mem-bership" will be discussed next year, he said, "not who and when."

He emphasized the administration's Partnership for Peace plan, which is "not just a transmission belt to NATO membership" for former Soviet satellites but an organization with value of its own.

He said he could not comment on Russian desires for a formal security pact with the United States, an idea which European diplomats say is gaining ground within the alliance.

Biggest disaster avoided in 1994? He smiled uneasily and then referred to Bosnia as "the most serious unresolved matter we have." It would have been "a serious mistake to start a massive bombing campaign" in a situation that would take 200,000 soldiers on the ground to resolve. "I hope that mistake will be avoided as well in the year to come."

So the Clinton administration's chief diplomat is playing defense against the Republicans and against events. It is not a heroic posture, but it is one that Warren Christopher

seems to turn to his advantage. The Washington Post.



and balanced reporting.

In spite of this caveat, we wel-come Keith Spicer's constructive

contribution to this important de-

bate. We support the careful phras-

ing of his most contentious sugges-

tion, that the jamming of the

transmitters of mass killers could

only be justified in the most extreme

situations: "the emphasis should al-

ways be on freedom: on countering

There is one method of counter-

ing evil voices, simple and inexpensive, which Mr. Spicer surprisingly

neglects. The present UN sanctions in Serbia and Montenegro (the Fed-

eral Republic of Yugoslavia) include an embargo on books and journals. The exclusion of these voices from

the outside world gives nationalist

Serbian propagandists free rein. In-

tellectual and political debate in

Scrbia has suffered greatly as a di-

rect result. We suggest that whenev-

evil voices, not silencing them."

#### Come to Berlin and Learn All About Getting Around

By Karl E. Meyer

BERLIN - Americans who temporarily set up house in Berlin experience a succession of shocks, some pleasant, some otherwise. Certain prices seem outlandish; laundry detergent and postage stamps are four times the U.S. price. Even so, there are bargains: excellent French table wines at the equiv-

#### MEANWHILE

alent of \$3 a bottle, smoked salmon at half the American price, the best British marmalade at \$2 a jar. But then this is what you would expect, since the European Union has slashed tariffs.

What you do not expect, and what is a most agreeable surprise, is the excellence of Berlin's public transit system. It is one of the best urban transport bargains in the world.

Most of the buses on 200 lines are

double-deckers. Seats are almost always available, and buses keep to schedules posted at each stop, arriving at 5-, 10- or 20-minute intervals (30 minutes in dead of night).

Not only do these vehicles move with surprising speed on busesonly lanes, but most passengers have passes, so the driver has to collect fares for only one out of 10 by my informal count.

people worldwide now realize that

the accord was made in error and

Regarding "Threats to Human

Surprisingly, Aaron Rhodes in-

Rights in Europe Are Threats to Security as Well" (Opinion, Dec. 15):

cludes Greece among those Europe-

human rights. It is dangerous for

freedom and democracy in Europe

to present a state of law like Greece

in such a light; it is, after all, the only one of its kind in the region.

Concerning the case Mr. Rhodes cites, that of Nikodimus Tsarkinas, it

is for purely ecclesiastical reasons

that he was dismissed from his reli-

gious functions. He continued to pre-

sent himself as a representative of the Greek Orthodox Church, though he

Ambassador of Greece. Paris.

DIMITRIS MACRIS.

had no right to do so.

ABRAHAM HUSARSKY.

Rehovot, Israel.

needs to be reworked.

solely to Israel and the inaction of the an countries where he sees threats to

Don't Include Greece

own tickets in platform machines.

Signs warn passengers that those caught without tickets or passes face fines, but enforcement is sporadic. Doubtless many freeloaders take their chances, but most Berliners pay their share because the share is fair.

izes tourists, since a single fare good

so were subways, buses, streetcars and suburban railway lines. With remarkable speed, the East and West systems were amalgamated.

about \$600 million, which is covered by the City of Berlin. The cost can

once puzzling and chastening for an American. The system developed in a city prostrated by bombers, shattered by the Battle of Berlin, occupied by four wartime victors and sliced in two for nearly four decades.

**ADVERTISEMENT** 

ERICSSON \$

## Sales in mobile

telephony up 72% Continued beavy investments in technology

order bookings rose again. This twelth successive rise has further contributed to a 22% increase in order bookings over the first nine months of 1994, compared to the corresponding period of last year. in the same period, net sales rose by 29%, and pre-tax income soared 88% to SEK 3,492 m. After all deductions,

income per share was SEK 10.38. Though every Ericsson business unit showed an increase in net sales, the Radio Communications Business Area posted the strongest growth, and accounted for more than half of net sales.

Ericsson, consolidating its strength in

global partnerships, is responding to

new market demands by increasing

More and more new and existing

operators are keen to make more efficient

use of capital investment by forging new

Telecom of Australia, where new tele-

services are being jointly marketed with

Ericsson. Swedish support includes

producing user manuals, and arranging

One example is a partnership with

cooperation with its customers.

relationships with their suppliers.

In the third quarter of 1994, Ericsson's For mobile telephony, sales increased

Commenting on a very favourable year, Ericsson CEO Lars Ramqvist explained the policy of heavy investment that continues to ensure prosperity ...

'A substantial portion of our investment in technology is for the further development of the AXE system and of mobile telephony. As a result of success and profitability in these areas, we can also simultaneously invest heavily in such other areas as broadband, transport and access networks, and systems for operation and maintenance.

Creating new opportunities

training for the operator's sales team.

By involving itself with the actual

Implementation and use of its products

and services, Ericsson gains valuable

feedback for product improvement, and

is better able to tallor its offerings for

development, create new market opp-

ortunities and use capital investment more

effectively. Ericsson is continuing its policy

of building partnerships with other world-

class telecommunications manufacturers.

In a similar drive to speed product

future customers.

through co-operation

#### Global purchasing agreement to cover 75 cities

The Flow of Information

Regarding "To Combat Hate Broadcasis, Let's Try Propaganda

for Peace" (Opinion, Dec. 12)

such as Article 19, the International

Center Against Censorship, might be enlisted to advise the UN of hate

campaigns that preach violence and

to participate in broadcasts that "fight back with facts and balanced

comment" is ingenious, but fraught with political pitfalls.

sion of sovereign airwaves" is only one difficulty standing in the way of

establishing a UN broadcasting ser-

vice that would hope to provide universally accepted "balanced comment." When sensitive conflicts

involve vital interests, even demo-

cratic governments will not bow to

anyone else's interpretation of what

constitutes balanced reporting.

Consider the notorious censorship by the British government of BBC

reporting on Northern Ireland, even

Governmental fear of the "inva-

The suggestion that organizations

Keith Spicer:

Ericsson has signed a USD 300 m global purchasing agreement with one of the leading US communications services providers, MFS

Communications Company Inc. Under the agreement, Ericason will supply a full range of AXE digital switching equipment and associated systems for expanding the MFS United States and international networks.

The networks, which use Ericsson products, are installed or under construction in 32 cities and three major European financial centres. MFS has plans to expand its services to 75 cities, including 10 international financial centres.

A new joint venture with Raychem

Corporation of the US, will see Ericsson

help develop; manufacture and market

The new company, based in California.

employs more than 700 people. By

combining an existing Raychem

subsidiary with Ericsson's technical

expertise and international marketing

strenoths, the venture is expected to take

a leading position in the fibre optic

fibre optic communications systems for

telephone networks worldwide.

communications marketplace.

#### China becomes fifth largest Ericsson market

er the international community im- in terrorist activity and Mr. Arafat's

poses sanctions, a clause should be refusal to contain it, most rational

LETTERS TO THE EDITOR

though the BBC has a remarkable included exempting materials neces-

reputation worldwide for accurate sary for the free flow of information.

FRANCES D'SOUZA.

Executive Director.

Article 19. London.

Rework the Oslo Accord

Regarding the Washington Post

The impending collapse of the

Oslo accord cannot be attributed

White House, If anything, the agree-

ment has fallen apart as a result of

Yasser Arafat's intransigence and

dictatorial ways. Statements such as

"we must wage a *jihad* for Jerusalem"

and "the intifada continues" hardly reassure the Israeli public.

Mr. Arafat has consistently re-

fused to amend the charter of the

Palestine Liberation Organization.

which still calls for the destruction of

Israel, a direct violation of the decla-

ration of principles. With the increase

editorial "Caving In to Hamas?" (Opinion, Dec. 9):

The People's Republic of China is now a major market for Ericsson - during this year it grew to become the company's fifth largest.

Ericsson has already installed 3 million AXE digital telecommunications lines, and provided a mobile telephone capacity for

digital switches, Intelligent Networks,

1.5 million subscribers in China. Recent new agreements, worth nearly

USD 375 m, include the supply of AXE

two significant contracts: one to extend the telecommunications network in the Liaoning Province; the other for use in the Sichuan Province - the largest in China, with 111 million inhabitants. A wide-area paging network is being

mobile communications, SDH (Synchron-

ous Digital Hierarchy) transport systems,

ATM (Asynchronous Transfer Mode)

equipment and a wide area paging system.

The AXE equipment forms part of

provided as a turnkey project covering four regions within the Guangdong Province. it will eventually be expanded to cater for more than a million subscribers.

#### Mobile data continues to grow

Two major contracts for Mobitex mobile data networks from Ericsson underscore the worldwide success this advanced technology is achieving.

In Germany, in a contract valued at SEK 500 m, Gesellschaft für Datafunk chose Mobitex for its new nationwide public mobile data network. In Belgium, RAM Mobile Data is installing a Mobilex network valued at SEK 60 m, which will be the country's first national and privately owned mobile data network.

Mobile data is one of the fastest growing segments in mobile communications. Network access and other enduser products based on Mobitex technology are now available from a variety of hardware suppliers. Major software vendors include Mobitex support in their products, and the large number of Mobitex applications continues to grow.

Ericsson's latest Mobitex products are the BRUS base radio unit and the M2190 wireless modem. The BUR3 is an



extremely compact 18 kg base station suitable for outdoor mounting. It enables operators to provide rapid and inexpensive coverage. The Mobidem M2190 wireless modem, which is packaged as a PCMCiA type illi card, is the world's smallest radio modem.

Mobitex networks are in operation in 13 countries on four continents. They already provide coverage for nearly all of North America.

#### **Quality rewarded**

The Ericsson worldwide commitment to Total Quality Management has been rewarded in Spain, Denmark, and the Netherlands,

In all three countries, Ericsson companies have won prestige quality awards. Ericsson SA of Spain won the European Quality Prize sponsored by the European Commission; L.M. Ericsson AS of Denmark won the Danish Quality Award; and in the Netherlands, Ericsson Telecommunicatie BV received the Dutch Quality Improvement Prize.

The award schemes operate on similar principles, recognising that international competition can only be withstood if an organisation implements continuous quality improvements.

#### High-performance commercial products meet defence needs

in an unusual move, Ericsson has combined two high-performance commercial communications products, and created one sultable for defence applications.

The new product, StaffTalk, is an advanced field exchange for most types of telephone that covers up to 300 metres, and supports up to 100 subscribers. It is based on Freeset, Ericsson's new digital cordiess telephone, and BusinessPhone, a popular business telephone exchange. Built to the DECT (Digital European

Cordiess Telecommunication) standard, the cordless system is ideal for defence applications, it uses very low power transmissions, making it difficult to detect. and is fast to deploy. It features encryption to further protect it from eavesdroppers.

#### There are further discounts for seniors, students, apprentice workers, the jobless and welfare recipients, each pass bearing an identify-ing photograph of the purchaser. As a passholder, you never have to fuss with change and can scramble from the bus to S-Bahn trains, which are mostly elevated, or U-Bahns, mostly underground.

These passes are the secret of the

system. You can buy them in vend-

ing machines for the year, month, week or day. The monthly Umwelt-karte, or environmental ticket (to

discourage use of cars), is fully transferable to other users from

Monday through Saturday, it costs

82 Deutsche marks (\$52), and less for residents of former East Berlin.

Or, in Eastern Berlin, you hop aboard fast-moving streetcars, di-vided into 50 lines. The bus, train and streetcar systems spread through 800 kilometers (500 miles), with free service for passholders in bordering cities like Potsdam. On buses, drivers glance at passes

but on subway and elevated lines it is overwhelmingly an honor system. Single-ticket holders punch their

Doubtless, too, the system penal-

for two hours costs the equivalent of \$2.30, but I have noticed that most strangers catch on quickly and buy the daily or special weekly pass. When Berlin was unified in 1991,

The system serves a billion riders year and runs an annual deficit of

be readily justified by merely looking at queues at bus stops: Everybody uses the system. To ride these trains and buses is at

Yet New York, cultural and com-

mercial capital of the nation that won the Cold War and the last global hot war, cannot even manage an audible sound system in subway stations fit for purgatory. The New York Times.

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#### ERICSSON 3

#### World round-up

Australia: A new electronic messaging system using an Ericsson MXE platform is giving Vodafone Pty a strong competitive edge in Australia's intensely competitive digital cellular telephone market. MXE stores, notifies and forwards all types of messages - voice, fax, data and text.

Japan: Encsson is to supply a Personal Digital Cellular (PDC) network to Digital Tu-Ka Kyushu for a new mobile telephone service. The order worth SEK 630 m. will mean that four Japanese mobile telephone. operators now use the Ericsson PDC

Ericsson will also provide equipment to extend the Kansai Digital Phone cellular network, which signed up 50,000 subscribers in its first six months. This order is worth SEK 500 m.

France: Excessor is to upgrade one of the French Telecom nationwide paging networks with a new ERMES-based system. It will provide a high-speed service with virtually unlimited capacity, and enable international roaming, savings on battery power and unmatched price/performance. Lithuania: A SEK 22 m order from Telekomas, the Lithuanian PTT, will bring the number of countries using AXE to 111. The order also includes Ericsson SDH transport network equipment and optical fibre cables.

Malaysia: Syarikat Teleton Wireless has chosen Ericsson cellular radio technology for a new network in Malaysia. It is expected that Ericsson equipment worth about USD 436 m will be installed over the next five years.

Korea: The Korea Electric Power Company has ordered an Ericsson EDACS land mobile radio system to improve services to its network in Seoul. The four-site systemis the first stage in upgrading its countrywide communications system.

United Kingdom: The UK subsidiary of the Australian telecommunications operator, Telstra, has signed an agreement with Ericsson for the provision of a new telecommunications infrastructure. The system is designed to boost Telstra's international services.

Ericsson will also supply an infrastructure to Eurobell (Southwest), a cable television operator providing services to South Devon. The network which includes AXE digital switches and MID110 PBXs, will serve a potential 240,000 homes

Telefonzktiebolaget LM Ericsson, S-126 25, Stockholm, Sweden.

Ericsson's 75,000 employees are active in more than 100 countries. Their combined experience in switching, radio and networking makes Ericsson a world leader in telecommunications.



#### First wafers from Ericsson's new semi-conductor facility yield good chips

One month ahead of schedule, and only nine months after construction work started, Ericsson's new USD 100 m semiconductor manufacturing plant produced its first silicon waters. .

The new water fabrication facility, or tab, produces state-of-the-art 16 Mbit technology components where the smallest dimensions are 0.5 micron. Each chip manufactured contains more than. three million transistors.

Located at Kista in Sweden's silicon valley, the advanced facility will help more responsive to its customers.

extend Ericsson's self-sourcing in advanced micro electronics.

The plant will be used as a rapid prototyping facility for new products, and to manufacture new ASICs, or application-specific integrated circuits, insmall volumes - allowing the components of Ericsson telecommunications products to be more highly tailored to market

It will also lead to reduced product development times, making Ericsson

## Old Attitudes and Structures Impede Russia's Long-Haul Road to Reform



A Russian dragging his belongings along a Moscow street. A quarter of the population lives at or below subsistence levels.

By Fred Hiatt

MOSCOW - During one of Moscow's recent gasoline shortages, as motorists idled in hours-long lines, a city official attacked private gas stations for

raising prices too high.
"Of course, there are free prices," the official said, meaning unregulated prices. "But

nation swimming in oil - proach in which stability often pointed to the uneven nature of Russia's economic reform three years after the Soviet Union's collapse. Despite seismic changes and convincing rhetoric, much remains unchanged. And the persistence of old attitudes and structures is blocking further progress in myriad

These unreconstructed sectors - from agriculture to social welfare to real estate work together to block creation of new businesses, impoverish the state, keep workers from moving to new jobs, foster corruption and in general prevent the recovery that President Boris N. Yeltsin needs to vindicate the very idea of reform.

or there's nothing going on at all," said Boris G. Fyodorov, a needed to safeguard contracts reformer who resigned in frus- or mortgages because many tration last January from the post of finance minister. "The resident hasn't decided what

kind of society he wants." Some observers might consider Mr. Fyodorov's comment they still have to be agreed exaggerated, but they would agree that Mr. Yeltsin's early Both the comment and the policy of promoting reform has situation - a gas shortage in a given way to a caretaker apseems the only goal.

"Change is occurring in Russia, and it's basically in the right direction," said Charles Blitzer. chief economist here for the World Bank, "It's frustratingly slow at times and frustratingly inconsistent."

The risk, Mr. Blitzer said, is not that Russia will revert to the failed command economy of Soviet days, but that the transition to a more prosperous market economy will take too long. In some areas, the lack of

change reflects consistent ideology. Inefficient and often impoverished collective farms now renamed "joint stock companies" - endure in part because many Russians believe

"In practically all areas, re-form is only at the initial stage, of farmland is simply wrong-Parliament does not enact laws lawmakers remain deeply suspi-

cious of private wealth. But as in many countries. change often is stymied because it costs more in the short term than lumbering on the old way.

A further disincentive comes in the profits that Russia's elites reap from the inefficiencies. In an underdeveloped democracy. with infant political parties and a government unresponsive to citizens, such elites - bureaucrats who give out licenses, monopolists who control the grain trade - are especially powerful. The gasoline lines in Moscow and other cities provide a clear example of just how unrenovated Russia's economy re-

Regular gas in Moscow sells, by mayoral decree, for about 60 cents per gallon. This is much closer to world prices than two years ago, but still well below what Russia's oil could fetch on

an open market. As a result, sales have to be limited by a system of coupons. obtainable with bribes or through official connections. Outside Moscow's Ring Road, where the decree no longer applies, tank trucks set up shop in random locations, charging twice as much for unregulated. and often watered-down, gaso-

To keep enough oil in Russia at below-market prices, the gov-ernment also must impose export quotas so that all of Russia's oil is not sold more profitably overseas. These quotas, controlled by Moscow or regional bureaucrats, are extremely valuable commodities - and a notorious source of corruption. At the same time, oil businesses do whatever they can to avoid selling at belowmarket prices, which accounts

for the periodic shortages. Because it cannot charge full value for its product, the oil industry does not collect enough to repair and rebuild its aging infrastructure. The lack of investment, in turn, leads to steadily dwindling oil production, which limits Russia's badly needed foreign-currency earnings.

At the same time, the oil and gas industry manages to avoid paying much in the way of taxes, even as top executives build luxurious dachas.

And because the sector contributes so little in taxes, other divisions of society -- hospitals, education and science among them - suffer far more than they should during this restructuring period.

The bureaucrats' grip on real estate has a similarly chilling effect. In Moscow and some other cities, residents now may privatize their apartments. As in Communist days, millions of people also own dachas or garden plots.

But in Moscow and elsewhere, the apartment buildings themselves remain municipally owned. Almost all land does too, even beneath factories that have been privatized. So, again, local bureaucrats throughout Russia control who may set up shop and where, and not nearly enough commercial space is available. As a result, commercial rents in Moscow rival those in Tokyo and New York, although average salaries and living standards are far lower.

The transformation is most obviously slow in farming. With burst of enthusiasm for private enterprise, enough city dwellers and former collective farmers peeled away from their old lives to form 183,000 private farms by the end of the new Russia's first year. By the summer of 1993, the number had grown to 258,000.

But many private farmers discovered that Russia was not ready for their hard work. Regional or federal monopolies still set prices. Racketeer blocked access to markets. By this summer, the number of private farms had barely risen, to 277,000, and they farmed only 5 percent of Russia's agricultural

Russia's social welfare system remains, for the most part, unreformed as well. While onequarter of the population lives at or below subsistence levels. the government pays child allowances to all families, regardless of income.

In many cases, the government still relies on big factories to maintain hospitals and housing for workers. That saps funds that factories could use to modernize production lines. and it ties workers to dying fac-tory towns where their labor cannot be used profitably.

Behind many of these barriers sits the vast bureaucracy that controlled all aspects of economic life in Soviet days. Today, the apparatchiks cannot block grass-roots economic activity, but they can interfer mightily while soaking up a large chunk of the nation's re-

#### Demons of Insecurity Haunt a Nation Longing to Be 'Civilized'

By Steven Erlanger New York Times Service

MOSCOW - Once again, in Chechnya, Russia finds itself in conflict with its own demons - the embodiment of particular national fears and anxieties in what remains a

Nationality not only is a category in the Soviet passports that Russians still use as a means for racial and ethnic identification, but is a set of assumptions and ambivalent feelings in Russian heads as well.

in confronting the latest Chechen challenge to Russian sovereignty and reopening a Caucasian conflict that has simmered for 150 years, the Russians are also reopening a Pandora's box of feelings about the restive minorities in their midst, from Muslim Tatarstan to

To be sure, every imperial nation has its own collection of ethnic and racial generaliza-

But the Russian demonology finds its special nature in Russians' deep insecurity about their place in the world — culturally, religiously, technologically. Are they a European people or some mongrel Asian one? Is theirs a superior culture, destined to rule, or a besieged one destined to flail forever at relentless enemies burrowing in from every direc-

More painfully, Russians ask if they are "civilized," the way Westerners are, or primitive and somehow inferior, doomed always to lag behind countries like Germany and the United States.

Those worries are heightened in a period of humiliation and dislocation like the one Russia is going through. Having lost one huge

#### **NEWS ANALYSIS**

empire and set of beliefs, without entirely understanding why, it now fears to lose even the smaller empire, the Russian Federation

So traditional Russian demons - Chechens and Caucasians, Jews and Asians. foreigners generally - evoke special anxieties now. As Russians enjoy a new form of freedom, there is also a new chasm of uncertainty. and they feel beset on all sides by alien influences and cultures.

Even the new and welcome influx of sophisticated consumer goods, many of them Asian and European, has underlined a strong and sharply embarrassing sense of just how bad "our" Russian products were and are.

It is a form of moral confusion that makes it easier to embrace old myths about themselves - the simple, honest, spiritual Slav and the ethnic stereotypes that bespeak the

insecurities of both past and present, given that so many of the minorities in the Russian ambit were once conquerors, like the Tatars, or formidable military adversaries, like the

So the Chinese and Central Asians are the barbaric, faceless, yellow horde that may once again drown the noble Slavs; Estonians are the cold, icy blondes who should choke on their own contempt; Azeris, cousins of the Turks, are criminal and cheat us at the market, and the Jews are greedy, calculating and so devious that they ruined us by making the Bolshevik Revolution.

Similarly, the predominance of Muslim Chechens in the criminal gangs that bedevil Russia - and the general predominance of Caucasians and Jews in the wild new world of semicapitalist business - have only added to the deep conviction among Russians that they are somehow congenitally unsuited to the modern world.

While Russians may have higher, more spiritual values than other peoples, they feel, they are uniquely prey to the more wily darkskinned people of the south. And even their spiritual values are threatened, as their children turn from intellectual pursuits to make deals or forsake Russian Orthodoxy for Western evangelists.

This sense of difference is deeply ingrained. The ethnic label "Slav" itself is believed to have come from "slovo," or word, to signify people with the gift of speech. The label "Nemtsi," meaning "those who are dumb," was given to all other Occidentals, and later, specifically, to the Germans.

Under the czars, and especially under the Soviet Union, the Russians were their ruling positions arrogantly. They were patronizing to other nationalities, who mostly paid lip service to their overlords. Russians understood, in their hearts, that they were hated by many of those who kowtowed

Just as Gogol and others lavished contempt on the Jews, the Chechens and Russia's long war to suppress them stirred some of the country's greatest writers.

Tolstoy's marvelous story about a Chechen leader, Hadji Murat, who defects to the Russians and is betrayed by them, offers an acute portrait of the wary relationship, even as the Chechens were losing the war for independence that ended formally in 1864.

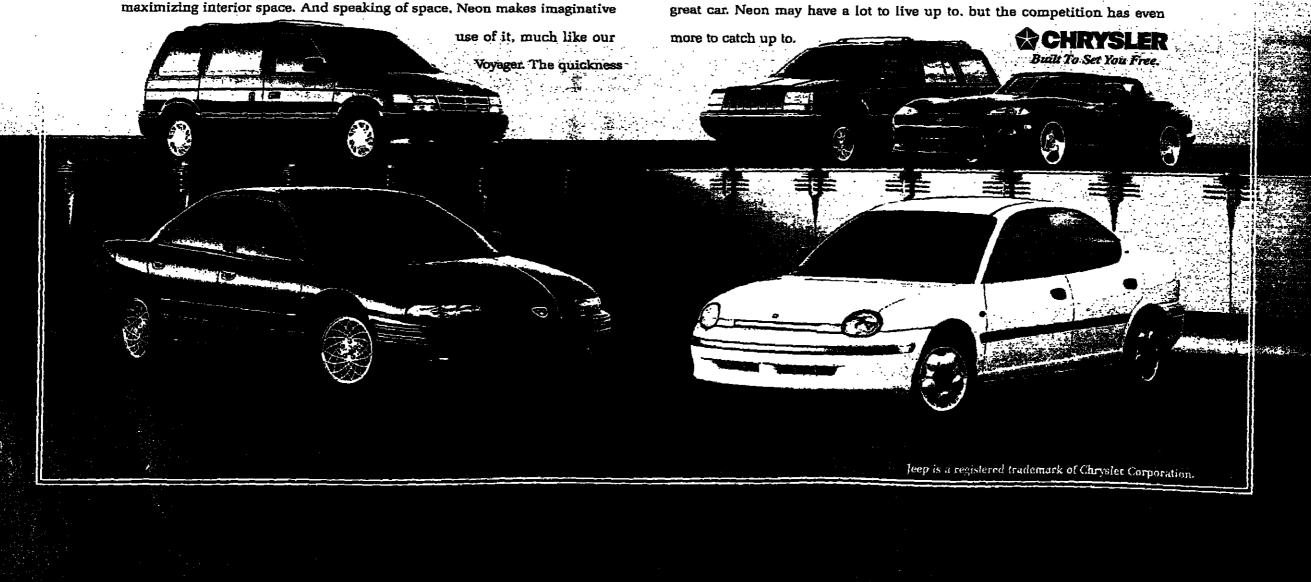
From the Russian side, there is admiration for Chechen bravery, intelligence and love for freedom, coupled with the fear of the mad, swarthy fighter, lurking just outside the firelight, sharpening his sword, preparing to cut Russian throats.

As for the Chechens, there is no trust in the honor of Russian intentions, just loathing for the power that ruins their lives.

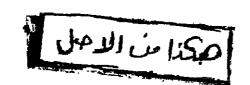
### Our Newest Chrysler Has A Lot To Live Up To.

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of its 16-valve. 132 horsepower (98 kW) engine can't help but remind you of Viper's love of the open road. And there's a spirit of adventure that undoubtedly comes from Jeep, Grand Cherokee. But as much as Chrysler's Neon borrows from its relatives, its personality is all its own-that of a good friend and a great car. Neon may have a lot to live up to, but the competition has even



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## U.K.-Sinn Fein Talks to Go On

### But Discovery of Ulster Bomb Rattles Politicians

By William E. Schmidt New York Times Service

LONDON — British officials and representatives of Sinn Fein, the political wing of the Irish Republican Army, agreed Monday that peace talks on the future of Northern Ireland would not be sidetracked by the discovery Sunday of a powerful Semtex bomb in a town near the Irish

British Army bomb experts defused the explosive, the largest such bomb planted in the province in several months, but its discovery has badly rattled political leaders anxious to hold together Northern Ireland's shaky, nearly fourmonth-long cease-fire.

The Irish Republican Army adamantly denied any responsibility for the bomb. Rival Irish nationalist and Unionist politicians were quick to blame extremists on the opposite side for planting the explosive, which was discovered outside a furniture store in the border town of Ennskillen. No group took responsibility for the bomb. It,

was defused after the police received an anonymous telephone tip. The discovery came on the eve of a second

round of talks in Belfast between the British government and officials of Sinn Fein.

der its huge stocks of weaponry, including large volved in planting the bomb, suggesting it might have been the work of Protestant provocateurs.

wider political talks on the future of the

No specific progress was reported after the meeting on Monday afternoon, but the two sides said they would meet again in January.

British officials called the discovery of the bomb "a most serious incident," but said they did not regard the incident as changing its working assumption that the IRA remains committed

to the cease fire. British officials said the bomb contained about a kilogram of Semtex and was discovered inside a plastic box along with a half-gallon of gasoline. It was wired to two commercial detonators and electrical batteries. Had it exploded, they said, the bomb would have caused extensive

In Belfast, Protestant politicians said the bomb might have been the work of extremists inside the IRA, who are beyond the control of the Sinn Fein leadership and are determined to wreck the peace process.

Ken Maginnis, a member of the British Parliament and spokesman on security matters for the Ulster Unionist Party, flatly described the bomb as having been manufactured from IRA Semtex

and detonators. But Martin McGuinness, the leader of the Among other things, the talks were to focus on British demands that the IRA disarm and surrender its buse steel that "dirty tricks" were in-

#### GOMA: Japanese Troops Import Serenity to Camps

Continued from Page 1 volcanologists have installed five monitoring stations around nearby volcanoes.

"Our mission is to conduct this operation successfully," said Colonel Mitsunobu Kamimoto, the Japanese commander here. "If our operation succeeds, Japan will conduct more humanitarian operations."

The Japanese Self-Defense Force sees itself as particularly well suited for this type of humanitarian mission, since in Japan the soldiers are routinely called upon to assist after natural disasters like earthquakes and volcanic eruptions.

The mission was made possible after the UN High Commissioner for Refugees, Sadako Ogata, made an impassioned appeal during a one-week vacation in her native Japan that Tokyo assist in the Rwandan crisis not simply with money but also with manpower.

Without Mrs. Ogata, I don't officer, Major Katsuyuki Kamiguchi. think the Japanese Self-Defense

Force would have been mobilized for this type of activity," said Mr. Nagawa, a UN refugee agency officer in Tokyo who was dispatched here to act as liaison between the Japanese troops and international relief

But as in the two previous cases when Japanese troops went overseas, this mission has attracted controversy back home, particularly among legislators and others who see in it a heightened military role, and a possible violation of Japan's

postwar "peace" constitution. Members of Parliament and officials from the prime minister's office have visited, and the 260 soldiers have been closely watched by an almost equal number of Japanese journalists. Many were waiting mainly to see if this operation might mark the first time since World War II that Japanese troops would be forced to fire their weapons

in hostilities. The Japanese have faced no conflict, although they, like other relief workers, say gunfire is heard nightly. "Sometimes near this camp, we hear niles, even hand grenades," said the press-

simply complete this coupon and send it to:

Colonel Kamimoto, the commander, said security in the camp was one of his biggest

The only Japanese casualties in the Goma operation have been two journalists, whose chartered plane crashed. Besides the security con-

cerns, the biggest problem facing the Japanese is their inability to communicate with refugees, or Zairians, who speak French.

Officers say only one soldier in the 260-man contingent speaks French, and while many have studied English, few claim to speak or understand it well. Some of the Japanese, includ-

ing First Lieutenant Michiaki Okazaki, have tried to learn some Swahili, which is widely understood by Rwandans. At the Kituku refugee camp, where Japanese are digging

drainage ditches, Lieutenant Okazaki carries a list of phrases in Japanese, Swahili and Kinyarwandu, and draws a crowd of screaming children as he practices saying "Good morning" and poses for snapshots with children while shouting "I love Rwanda!" in English.

#### **RUSSIA:**

**War Escalates** 

local residents. Although food was readily available at kiosks, it was far too expensive for most people, and there were

Continued from Page 1

long lines at nearly every state

store that sold bread or sugar.

After spurning Moscow's offer of peace negotiations on Sunday, Mr. Dudayev made no public appearances on Monday, although reporters wanted him to comment on new rumors that Russia was planning to send additional troops to the region. When asked to comment on the nature of the fighting, his foreign minister, Yusef Shamsudin, said, 'There has been too much bombing all night long.'

Chechen television, before it was knocked off the air by Russian bombers, broadcast detailed information about the most vulnerable place on the Russians' T-72 tanks and advised residents to attack them in any way possible.

The worst fighting took place in Dolinskoe, 20 kilometers west of Grozny. Russian tanks pelted the village throughout the day with fragmentation bombs. By evening, the Russians appeared on the verge of occupying the village, which would give them unhindered access to the capital.

In Shalaamyurt, 16 kilometers east of the city, Chechen fighters have dug deep trenches to ward off expected tank attacks. Russian soldiers were advancing on those trenches, and machine-gun fire could be heard in the distance. Several dozen of the troops there were huddled in front of fires against the bitter cold, and many did not even have gloves to wear.

Khusan Isabayev, 34, the commander of the brigade in Shalaamyurt charged with assaulting helicopters with rock-ets, acknowledged that the Russians can go to Grozny any time they want."

than to occupy it, and that that would always remain impossi-

Many residents of the capital appear to agree. They are fond of citing the example of Afghanistan, saying it would be impossible for Russia to occupy the region fully without many soldiers dying, which they view as a political impossibility for Mr. Yeltsin.



A woman buying bread in Grozny on Monday as Russian forces stepped up their assault on the Chechen capital.

### Simpson Outburst in Jail Stays Secret, Judge Rules

LOS ANGELES - The statement that O.J. Simpson jury. shouted to a friend in jail will remain secret, a judge ruled Monday. He also turned down day, rejected the motion and a request to cancel a full-scale ordered the DNA hearing to DNA admissibility hearing set for next month.

The ruling on the confidentiality of Mr. Simpson's shouted remark to his friend Rosey Grier was a victory for the defense. The DNA ruling was a son yelled something that a

The defense initially sought a full-scale hearing on whether scientific genetic evidence ruling that Mr. Simpson was led should be admitted in Mr. to believe he had complete pri-Simpson's trial. But in an vacy when he made an outburst about-face, the defense last in a jail visiting area.

week asked to incorporate the issue into the trial before the

Superior Court Judge Lance A. Ito, in a written ruling Monbegin Jan. 5 outside the jury's

presence. Mr. Grier, a former professional football player and now a minister, was visiting Mr. Simpson on Nov. 13 when Mr. Simpdeputy overheard. The remark

has never been revealed. Judge Ito said in his written

"Counsel for Simpson now argues Simpson was lulled into a false sense of security in regard the confidentiality of his communications," Judge Ito wrote. "Under the highly unusual and apparently unique factual setting in this case, with regard to this single incident, the argument is well-taken. The demand for discovery is there-

Mr. Simpson is charged with murdering former wife Nicole Brown Simpson and her friend Ronald L. Goldman last June.

fore denied."

Judge Ito noted that a sheriff's deputy overheard Mr. Simpson's remarks because Mr.

because the jailer was eavesdropping.

"Eavesdropping upon a conversation between a person held in custody and that person's rehejous adviser is a serious crime in California," Judge Ito said.

But he added that by yelling, Mr. Simpson waived the clergypenitent privilege of secrecy. Nevertheless, Judge Ito said.

since Mr. Sumpson had been guaranteed privacy in the jail visiting area, his confidentiality must be maintained.

The judge did not explain the legal basis for his decision on the DNA hearing but merely said it would change the trial Simpson was yelling, and not schedule.

#### to humiliate Chechnya more than to occupy it and that that that that the CHINA: Nationalistic Rancor Rises in Beijing Amid Uncertainty on Deng lenge to the party in this sensitive season

Continued from Page 1

nationalist in these circumstances," said Michel Oksenberg, a White House aide on China in the Carter administration and now president of the East-West Center, in Hawaii. "I think in each major dimension of relations with China, one can expect to see recalcitrance as Chinese leaders and the various contestants for power position themselves to make sure they don't lose their nationalist bona fides."

Chen Yizi, a onetime top Communist Party official now living in the United States, said: "I believe that the situation in China right now is in a very delicate state.

"No matter what, Deng's health isn't going to get any better. The second reason for the fragility of the situation is that there is a series of sensitive problems facing Chinese society, for instance: inflation corruption, and the legacy of the June 4, 1989, incident," the military crackdown on student-led prodemocracy demonstrations at Tiananmen Square.

"If something goes even slightly wrong with the handling of these questions," he said, "the consequences will be severe."

Western officials say that the 90-yearold paramount leader is extremely frail and that his doctors are using life support systems to sustain him. Mr. Deng report-edly suffers from advanced Parkinson's and intellectuals that the slightest chal-

disease and other ailments. Mr. Chen said his sources had told him that Mr. Deng has suffered from progressive kidney failure since October 1992 and undergoes frequent dialysis.

The Chinese government and members of Mr. Deng's family continue to maintain that he is in good health, but Western officials indicate that he has markedly Harsh sentences - including one for 20

years - were handed down last week to nine prodemocracy dissidents who had been held in jail for 30 months. The punishment followed the sentencing of Gao Yu last month to six years in prison. Ms. Gao, a prominent journalist who was invited to Columbia University as a visiting scholar this year, had written articles about the political maneuvering of China's lead-

ers for Hong Kong-based mag Hu Shigen, a 39-year-old lecturer at the Beijing Languages Institute, received the heaviest sentence, 20 years, for "spreading

counterrevolutionary propaganda."

Robin Munro, the Hong Kong director of Human Rights Watch, called the sentences "appallingly severe."

The other dissidents sentenced on Friday received terms ranging from 3 to 12

years. Five others were convicted and released, and one was placed "under surveil-

lance" for two more years. China's leaders, who certainly approved of the length and the timing of these sen-

will be severely punished.

China's most vocal campaigner for democracy and free speech, Wei Jingsheng, remains a captive of the State Security Ministry, which refuses to charge him or release him. Mr. Wei was initially released in September 1993, after serving more than f. 14 years in prison, but was rearrested in

Chen Ziming, one of two dissidents re-leased from 13-year prison terms last spring, remains a captive in a tiny apartment where as many as 56 policemen have kept him under guard and surveillance. Mr. Chen and Wang Juntao, sentenced in 1991 to 13-year prison terms, were accused of being behind the Tiananmen Square uprising. They were released on medical parole, and Mr. Wang went to the United States for treatment.

Although Commerce Secretary Ronald H. Brown announced in August that he had won China's commitment to renew its dialogue with Washington on human rights, four months later the dialogue has produced no results.

The State Department's top humanrights official, John Shattuck, has announced that China agreed to resume talks with the International Committee of the Red Cross to allow access to thousands of political prisoners. But China has yet to resume negotiations with the Red Cross. And no date for a meeting in 1995 has been

#### 181, Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. (please allow time for processing) Mr. Deng's declining health, a Western diplomat added, "has been a factor for the **Language Schooks** Tick box last year, but more so in the last few months - everything is just waiting."

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### HUNT: U.K. Police Go After Animal Rights Protesters URANIUM:

Continued from Page 1 4,000 protesters, trying to dis-rupt about 50 of Britain's 340 hunting expeditions each week. Some of the better known hunts have hired security men who patrol in Land Rovers to keep the saboteurs away. Although fox hunting, traceable to the 1600s, is sometimes called the English national sport and serves as a social magnet for the horse set, it is not wildly popu-

lar among everyday people. Fox hunting is still the preserve of the aristocracy. The hunt saboteurs seem mostly to come from the other side of the ocial divide

Prince Charles infuriated animal rights groups by taking his two sons, Prince William, 12, and Prince Harry, 10, fox hunting in October. He said he about "the thrill of the hunt."

Labor members of Parliament signed a motion regretting his action.

Each Friday, Mr. Thomas, the saboteur, scans the listings of hunts in Horse and Hound. circles a town on a map and leads a convoy of old vans bearing a dozen young protesters. One recent weekend, he

chose Vinc and Craven, a hunting group that covers a radius of 5 to 10 miles in the hills and dales 75 miles west of London. Mr. Thomas eschews the battle paraphernalia of other sabo-

teur groups — the ski masks that hide identities and lend an air of menace and the special trumpets and cans of Anti-Mate, an animal repellent, to draw the hounds off the scent. He relies on speed and travels

light. "We just stick as close as "And at the key moment, when at confusing the hounds.

More than 100 opposition abor members of Parliament igned a motion regretting his ction.

they're on to the fox, we try to take control. It's all done by imitating the huntsman's call.

An hour later, the group of weapons-grade material

tracked down the hunt. A fox, allegedly, was hiding somewhere in a thickly wooded dell. The hounds were running helter skelter, the hunters were positioned on all sides, and the sabotcurs poured over a fence to the rescue.

They set off a chorus of highpitched two-note bleats - the equivalent of "come here" in doned the chase and came bounding over. They looked confused and soon ran back. The hunters looked down their noses, as if at vermin.

By the day's end, Vine and Craven did not catch a fox. But that seemed to have more to do with the fox's ability to lie low wanted his children to learn we can to the hounds," he said. than with the saboteurs success

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of weapons-grade material here. "It would appear from the initial analysis done by the Czechs that it is indeed top-ofthe-line quality," said a spokesman for the energy agency in Vienna, David Kyd. That is reason on our part for concern simply because it would indicate that there is a source avail-

able for such material." But, he added: "To make a houndspeak. Sure enough, a warhead you need 25 kilohandful of the hounds aban- grams, so this amount, although seemingly significant, is well below what you would need for weapons purposes."

Uranium pellets, as well as very small quantities of plutonium, have come on to the black market in the past year, but "this is unusual in terms of its composition and the size of the consignment," Mr. Kyd said.

(Reuters, AFP)

#### CARTER: He Says Bosniun Serbs Accept Immediate, 4-Month Cease-Fire

Continued from Page 1

called for the lifting of international economic sanctions on the Serbs in exchange for their compliance with a series of UN Security Council resolutions that have no relation to a settlement of Bosnia's war.

method to move its policy away third. Bosnia would still remain

from its backing of the Muslim an integral country, but the Sercause to one closer to the European position, which contends that the Serbs have won the war and that any settlement is better than continued bloodshed.

The key issue Monday was an international peace plan, brokered by the five-nation "con-From the first announcement tact group" made up of the of Mr. Carter's visit last Thurs- United States, Russia, Germaday, Bosnian Muslim officials ny. Britain and France. Under have expressed fear that Mr. the terms of that agreement, the Carter, who is not familiar with plan would divide Bosnia the Balkans, would come to roughly in half between the Bosnia and end up, unwittingly Serbs and a federation of or not, aiding the Serbs, Some Croats and Muslims, Serbs, have said they worried that the who occupy 72 percent of the Clinton adminstration was em- country, would see their holdploying Mr. Carter's visit as a ing decrease by about one-

bian part would be guaranteed political, economic, social and cultural autonomy from the Muslims and the Croats.

confederation with Serbia, the main backer of Yugoslavia's wars of secession. The Serbs also want better territory - including more mines, factories and urban centers despite the fact that most Serbs lived on farmland in Bosnia before the

Since August, when the Serbs' self-styled Parliament formally rejected it, the Serbs have fought against the plan-

Under the terms of a deal Despite these provisions, the signed by Mr. Carter, Mr. Karrebel Serbs reject both the idea adzic and Ratko Mladic. comthat Bosnia should remain one. mander of the Bosnian Serbian country and the actual division army, the Serbs agreed to acof the territory. Instead, they cept the "contact group" plan want independence and the as a "basis" for further talks right to join in some kind of a with the Bosnian Muslims, in confederation with Serbia, the exchange for reopening Saraje vo's airport, a cease-fire leading to a complete cessation of hostilities, the free movement of aid convoys, and the complete. freedom of all people "regardless of age, sex or ethnic origin to choose where they wish to live," among other things.





Some Christmas Stocking Stuffers: Legs

is a bumper year for Christmas for stockings - not the kind that Santa fills with toys, but the

sheer glamour of lacy hosiery. The ubiquitous little black dress is no longer complete without equally well-dressed limbs. Spiderwebs of intricate decoration or a simple stripe

running down the side enliven party hose for the end-of-year festivities. Stretch fabrics that gleam and shimmer, fancy lace, a scattering of flowers or even fantasy patterns, from skulls to teddy bears, make legs a focus of atten-

acceptable in the Western world, there is something seductive and audacious about decorating the revealed legs.

"It is a way of dressing up short dresses," says Christian Lacroix, one of the first designers to fancy up the legs with a tracery of lace.

'As soon as I see a blank surface, I have to decorate it," he claims, "But the reference was to the 19th century,

when stockings were erotic."

International Reguld Tribune ed the patterned effect of Victorian worn in dance exercise class. At night, fashion when suburban housewives southerte's stockings on panty hose, as they give the look of stockings (with wore tan stockings. well as the delicate designs you might out the garter belt). The flash of flesh expect to find on the finest lingerie.

Valentino, too, has taken inspiration from the boudoir for the flowery lace hose that he showed coquette-style with feather-trimmed ankle boots. Valentino also made sturdier patterned hose to blend in with daytime looks -

#### **SUZY MENKES**

but still with feminine floral patterns rather than the plain opaque finish that is more familiar.

Gianni Versace took a shine to legs as well as clothes. His silvered Society has come a long way since the cent glow to legs that matched the ictorian era, when a glimpse of stock-Victorian era, when a glimpse of stock-ing was something shocking. But now Shiny vinyl, lacquered silk and metal that short skirts have become absolutely mesh dresses were finished off with shimmering hose and shoes.

From Versace came another of the legwear trends: hold-up hose. The over-the-knee stockings (call them super-high socks) have a disconcertingly Lobita look to them - especially when shown on the runway with baby-doll

The undisputed queen of legwear is New York's Donna Karan. She is the designer who made the working woman's wardrobe work - by creating the right foundations. She made a smooth connection between underwear and onterwear with the mat-black hose and bodysuit that she pioneered in the 1980s. It created a new attitude to career clothing, for with those undergarments as the backdrop, a wrap skirt and jacket could be juggled along with other easy pieces.

For her fall DKNY sportswear line, Karan showed hold-up hose — but in lous, as well as practical..... imaginative ways, including as a stretch-stocking boot, so that shoe and hose were all in one. (At Chanel, Karl Lagerfeld had created a similar effect by making an over-the-knee tweed boot — just as he had created the "skin dress" as a new generation of bodywear in his KL collection.)

Now Karan is moving on. Having dresses and Mary Jane shoes. But this broken the smooth line from torso

"I feel like I gave my leg a face-lift." at the thigh is something new for the panty-hose generation.

The mast of Ireal she said, to explain the effect of an ing I panty-hose generation. nude effect in a modern way. This new er dynamism.

High technology is the key to making the current legwear look new—fancy tights look good with wispy lace rather than something that belongs in lingerie-inspired dresses.

Although designer hose come at high prince similar affacts can be the can-can era of the Moulin Rouge Although designer hose come at or on the stage at the new revue at the high prices, similar effects can be fashion, women now seem to be yearn- play of pattern or faint stripes. ing for something feminine and frivo-

with current fashions or as a gift? For daytime, tartan tights from Ralph Lauren or Calvin Klein's argyle stock-thing. But now that the raised hemline to the course of the century. Since skirts started to rise in the flapper erg, women have revealed (almost) everything. But now that the raised hemline to the course of the century. ings make a cheerful splash of pattern barely raises an eyebrow, covering up against plain wool skirts — especially can seem much more seductive. if they fall to midcalf or are the soumlikely style has been taken up on the through the feet with the hold-up called "new length," with the hemline streets or in clubs. For daytime, in stockings, she started experimenting on the knee. Such country plaids go in the Naughty '90s, a brief flash of lace

Strictly for teenagers and the early 20s (and for those with slim legs), are the white tights, redolent of the swinging 1960s, or the Lolita-style hold-up

For evening, any stylish, sophisticatdevelopment means the microfine 3-D ed woman can play with the lace put-Lycra with stretch in every stitch, rath- terns - Lacroix signature hearts-ander than alternate stitches, giving great- crosses designs or Valentino and Versace flowers. On the same principle

Paris Lido. Du Pont's Lycra revolu- found at mainstream stores, where tionized expectations of comfort and styles range from bold arabesques of performance, but as with the rest of decoration down to a mere shadow-

Decorative hose come as socks, as well as stockings, and even for women who find the idea of the decorated leg HE choice available at ho- too fanciful, a flash of lace at the cuff siery counters is now over-whelming. So how to choose a fashion seems to have come full circle

One hundred years after showing the thick knit, the hold-up stockings are with the bared leg. For her fall collection, she promoted nude hose—last in the knee. Such country plants go in the reaughty six a one has one has a one has a one has a one has a one has one has a one

#### **CHESS**

ALERI SALOV beat Anathe Polugayevsky Tournament. In the Richter-Rauzer Varia-

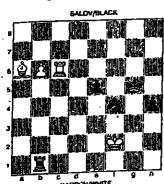
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tion of the Sicilian, characterized by 6 Bg5, the branch with 8...h6 is noted for making it difficult for White to press any initiative: 9 h4 is considered an unsound gambit after 9...Ne4! 10 Qf4 Ng5 11 Nc6 bc 12 Qa4 Qb6 13 f4 Nh7 14 f5 Rb8.

The fearsome-looking 9 Bi4 is restrained by 9...Bd7, a major tactical point being that on 10



Position after 64 Kf2

Nc6 Bc6, White gets no advan-tage from 11 Bd6 Bd6 12 Qd6 Qd6 13 Rd6 Bc4.

A piece of important knowledge for using this defense is that on 14ed Nd5 15 b4 Nf4! 16 Rd8 Bd8 17 h4 O-O 18 Qe3 Nd5, Black's rook-plus-bishop and chances for a mating attack compensate for the white

Salov's new move, 14...Rc8!?, was logical in aiming immediately for counterplay against the enemy king. After 15 Qg3 d4!, Karpov was persuaded not to go into 16 Qg7?! Rg8 17 Qh6 dc 18 Bc3 Nd7 because in the middle game the three pawns he gets for a knight will not be as strong a weapon as the piece. After 17 f4 Nh5 18 Qg4 Qf6!, Salov would have rebuffed 19

By Robert Byrne e5 by 19...Qf5! 20 Qf5 ef 21 Rd4
7ALERI SALOV beat Anatoli Karpov in Round 9 in which saddles White with an isolated e pawn and yields Black pressure against the white kingside. But after the actual 19 Rd4 Bf4 20 Bf4 Qf4 21 Qf4 Nf4 22 g3 Ng6 23 Kd2 Ne5, Salov had the slight advantage of the

the black pawns.
Salov's finish was cute: after
64...h3! 65 Kg3 Rg1 66 Kh2
Rg2 67 Kh1 Nh5!, the threat of 68...Ng3 shattered all resistance. Karpov gave up.

SICILIAN DEFENSE

White Karpov	Black Salov	White Karpev	Břack Salov
1 M 2 N(3	ئ Nc≰	35 a4 36 ab	Rcs ab
3 d-i	cd ·	37 de	Rh5
4 2444	Nju	क छोड	Rc2
5 Nc3	3E 35	39 Ke3 40 Be2	Rcs
L Bg5	26 26	40 BC2	Re <del>s</del> fo
1000	h6	42 Bh5	Ki6
9 814	H417	43 Hd3	<b>b</b> 5
30 Nes	Bre	44 Re4	Řcš
IT G	dā Bb4	45 Ke3 45 Kf2	Rg5 R£5
12 Qc1 13 a3	Bas	47 Ke3	Res
14 Bd2	KC8	48 K/Z	RIS
15 Og3	d4	49 Ke3	Ne7
16 Bc3	Bc7	50 RM	Re5
17 [4	NE	5) K/2 52 Bc4	R45
18 Og4 19 Rd4	Q16 B14	53 Kel	R65 Re5
20 BI4	ÕH	54 K/2	RIS
21 Qf4	N14	55 Kg!	Ng6
21ر 22	Nr.6	36 RE4	NII
23 KJ2	Neó	57 b4	R <sub>2</sub> 5
24 Bc2	Ke7	58 K/1	<b>.</b>
25 Ku) 26 h4	Rogs .	59 Stati 60 Rc4	R63
27 hg	Res	81 b5	M
28 Kts	Ŕij	62 Rcs	Xe5
29 K/4	Rel	63 b6	Rbl
30 Nd5	Bd5		· <b>h</b> 2
N cd	Ng6	65 Kg3	Rgi
32 Ke3	Rø3 .	98 Kh2	Rg2

more solid pawn structure. In relying on 28 Rh5, maybe Karpov overlooked that 28...Rg3! 29 Kf4 Rg1 could not be exploited by 30 Re5? in view of 30...f6 31 Rh5 e5. Or was this part of a deep plan with 30 Nd5 Bd5 31 ed Ng6 32 Ke3 Rg3 33 Kt2 Rg5 34 Rb4! to create a

counterattack? After the reduction of material ending in 42 Bb5, Karpov was a pawn down, but the black pawns were split and the white bishop should have been potent in advancing the b2 pawn while it interfered with the progress of

This eruption Frankel, a re-

BEYOND THE PROMISED LAND: Jews and Arabs on the

Hard Road to a New Israel By Glenn Frankel. 416 pages. \$24. Simon & Schuster.

Reviewed by Christopher Lehmann-Haupt

By the main title of his book, "Beyond the Promised Land," Glenn Frankel means that in the last seven years, Israel has undergone a deep change, from "a small, collectivist, mobilized garrison state under siege to a more open, pluralis-tic, bourgeois and democratic

In other words, Israel has been forced by events to go be-yond "the old Zionist state" perceived as a utopian ideal to a new post-Zionist Israel" that

is part of the real world. This break is a result, he argues, of several other momen tous changes: the rise of new political forces in Israel; the fall of the Soviet Union and the arrival of nearly half a million Jewish immigrants; the death of socialism and the birth of a market economy; the defeat of Iraq in the Gulf War and the ascendancy of the United States, and perhaps most significant, alterations in the Arab world, beginning with the Pal-estinian uprising known as the intifieda, which literally means shaking off" in Arabic

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#### **BOOKS**

 Adrian Henri, Liverpool poet and painter, is reading "Selected Poems" by Carol Ann

Duffy.
"I think she's the best young poet writing in Britain today. There's the added bonus of some new poems written from the point of view of the wives of famous men — from Mrs. Midas to Mrs. Darwin." arwin." (Roderick Conway Morris, IHT)



porter for The Washington Post on the White House lawn in who has spent many years in September 1993 between Prime Israel, considers to have been a Minister Yitzhak Rabin of Israspontaneous boiling over of el and the leader of the Pales-rage at Israeli oppression on the tine Liberation Organization, West Bank and in Gaza. Yet Yasser Arafat. paradoxically, he says, the inti-fada empowered the Palestin-told the author: "We'd been

ians to set forth on the path that fighting these people for deeventually led to the handshake cades and yet we didn't know

them. We thought we could learn. The intifada made it possible by creating a sense of power inside us, a sense of equality with them. It wasn't master and slave anymore. We could talk."
To illustrate his thesis, Fran-

kel examines these various changes by focusing on some of the people and places he has come to know in Israel over more than two decades. For instance, his close-ups of

Israeli soldiers and Palestinian community leaders powerfully dramatize the impossible dilemmas forced on both sides by the intifada rioting and its brutal repression. His portraits of disillusioned

kibbutzniks and striving businessmen give the reader a sense of how the economy changed as the old dream of a vast cooperative farmland was gradually abandoned.

with the Bush administration and thus gave way to Rabin's Labor Party administration, which was slightly more amenable to peace negotiations.

gious parties throughout the mmoil Frankel's narrative doesn't ex-

actly lift the reader off the page. He neglects to convey the sense of the physical setting of Israel that, say, Amos Elon does in 'Jerusalem" or Saul Bellow does in "To Jerusalem and Back."

His portraits of the principals are more functional than sparkling. You slog through his text picking up facts as if they were stones for a new Jerusalem.

The history that Frankel re-

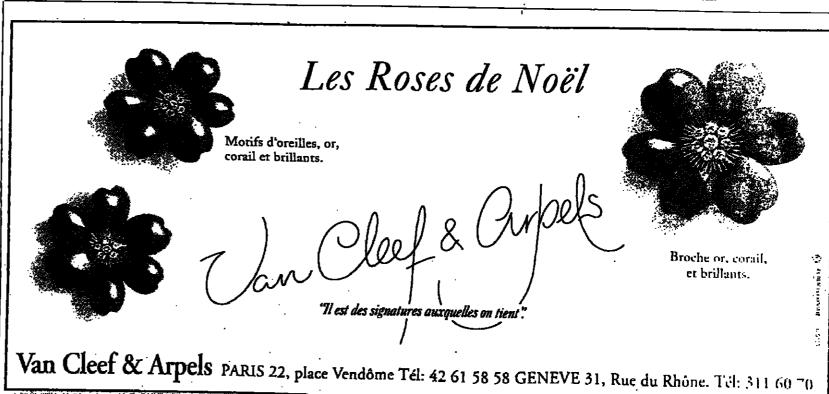
of how and why Prime Minister point that by the time the Israelis Yitzhak Shamir and his Likud and the PLO reached agreement. Party blundered in its dealings American Jews had lost touch with what was going on.

Whether or not this is fair. you reach the end of Frankel's narrative as if emerging from a dark tunnel into a landscape that has been radically transformed. As he presents Israeli attitudes, possession of the territories doesn't seem so essential anymore, if only because Iraq's attack with Scud missiles during the Gulf War demon-strated the irrelevance of territory as a buffer zone.

Whether or not peace eventually comes to the Middle Eust and Frankel's vision of a land beyond the promised land is fulfilled, his book shows wity ineluctably the parties had to take the gamble that peace could happen.

Most fascinating of all is lates is coherent and dramatic. is on the staff of The New York.

Frankel's penetrating account Particularly provocative is his Times. Christopher Lehmann-Hauft



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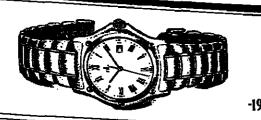
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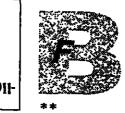
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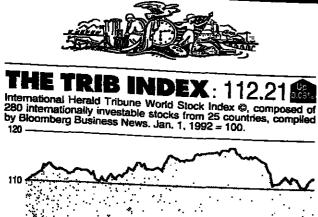
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**Thinking Ahead** /Commentary

### BMW to Drive Rolls-Royce Cars German Firm Will Supply Luxury Autos' Engines

By Erik Ipsen

al Herald Tribune LONDON -For the second time this year, the maker of BMW cars has helped itself by coming to the aid of the British automobile industry. Bayerische Motoren Werke AG announced Monday that it would supply Rolls-Royce Motor Cars Ltd. with the massive V-8 and V-12 engines it needs to power its luxury cars. For Rolls, a subsidiary of Vickers PLC

- which makes tanks for the military, among other things — the announce-ment was a long-expected acknowledge-ment that it could no longer bear the cost

of developing engines on its own. For BMW, the deal represents an additional outlet for its top-of-the-line engines — and a little added prestige.

"It does no harm at all to BMW customers to know that Rolls-Royce is using some of the same engines," said John Lawson, an auto industry analyst at DRI/McGraw Hill in London.

Some, however, insisted that for BMW. the accord paled in comparison with the deal the Munich-based company announced in January, when it bought Britain's last large-volume carmaker, Rover Group PLC, for £800 million (\$1 billion) from British Aerospace PLC.

As Rover's fortunes have improved and sales of its four-wheel-drive Discovery and Range Rover models have soared, that acquisition has looked better and better for BMW.

The price they paid for all of Rover is basically equal to the cost of developing a new four-wheel-drive vehicle," said Sarah Middleton, an analyst at CS First Boston. She said BMW got not just a

successful four-wheel-drive vehicle but the whole car company. "It was the deal

International Herald Tribune, Tuesday, December 20, 1994

Some also have praised BMW for its decision to set up production in the United States, its largest export market. Keith Hayes, an analyst at Merrill Lynch & Co., said BMW and its rival, Mercedes-Benz AG, had led the European car industry in trying to make their production worldwide. He also said, that in

'It does no harm at all to BMW customers to know that Rolls-Royce is using some of the same engines.'

John Lawson, auto analyst at DRI/McGraw Hill.

a way, they were the most unlikely pair to do so.

"They have the most to be complacent about," Mr. Hayes said. "They are the two companies that have achieved the greatest success in selling Europeanmade cars abroad."

creasingly in recent years to outperform Mercedes's parent, Daimler-Benz AG. In head-to-head competition in the car market, BMW's 3-series has held its own against Mercedes's new C-class cars. And in broader corporate terms, while Daimler has been burdened with its unprofitable AEG AG appliance-making

unit and its struggling Fokker NV air-

Others said BMW had managed in-

craft arm. BMW has pressed ahead with plans to make jet engines with Rolls-Royce PLC (which is not related to Rolls-Royce Motor Cars).

"Put alongside Daimler, it is BMW that has made the more sensible moves," said Bob Barber, an analyst with James Capel & Sons Ltd.

He said Daimler's earnings had fallen in five of the last six years, compared with two down years in the last six for BMW. And, unlike either Daimler or Volkswagen AG, BMW had managed to stay profitable throughout the recession.

Such comparisons are made all the more painful for Mercedes by the fact that in Rolls's year-long search for an engine-maker, it was Mercedes that was long thought to have the inside track. With Rolls-Royce and Bentley production totaling only 1,500 cars a year, the deal may not be a major one in volume terms, but the result is still significant.

BMW's successes have come in the face of increasing competition in the, luxury-car market. Analysts have complimented the company for its performance not only against Mercedes but also against Toyota Motor Corp.'s up-market Infiniti division and Nissan Motor Co.'s Lexus.

"There is always room for niche players like BMW," Merrill's Mr. Hayes said. "The problem is that niche volumes in the upper end are rising."

In addition to the two Japanese competitors, he cited Ford Motor Co.'s push via its Jaguar unit and that of General

See ROLLS, Page 12

### GATT Chief Likely to Be WTO Caretaker

By Alan Friedman tional Herald Tribune

PARIS - With member na-Organization when it comes year. It is this and a related into existence on Jan. 1, diploagreement that paves the way for Wednesday and expect to agree to ask Peter Sutherland to take the job for a period of at least Sutherland, a former European three months.

since July 1993, and he is widely credited for having helped to push through the Uruguay tions still unable to agree who push through the Uruguay will lead the new World Trade Round world trade accord last agreement that paves the way for mats say they will meet GATT being converted to the World Trade Organization.

In April of this year, Mr. Union commissioner and attor-Mr. Sutherland, 48, has been ney-general in his native Iredirector-general of the General land, said he wished to leave his-

Agreement on Tariffs and Trade job shortly before January 1995, when GATT is replaced by the new organization.

> In recent months the 125 members of GATT have been unable to achieve the consensus needed to approve a new director-general, and as a result several diplomats said on Monday they planned to ask Mr. Sutherland to stay on as a caretaker for at least three months.

Although Mr. Sutherland's contract runs until June 1995. he has told friends be wants to spend more time with his family in Dublin, He, is, however, likely to agree to stay on for a few more months in order to ensure an orderly transition for his successor at the Geneva-based

The three men now campaigning for the job being vacated by Mr. Sutherland are Carlos Salinas de Gortari, the former president of Mexico, Renato Rug-giero, an executive at Fiat SpA in Turin, and Kim Chulsu, South Korea's trade minister.

Mr. Salinas has the backing of the United States and most Latin American governments, and is said by diplomats to be picking up broad support from African countries, including South Africa and Morocco.

Mr. Ruggiero, who served Italy's foreign trade minister un-der former Prime Minister Giulio Andreotti, has the backing of the European Union as well as the support of some former Eu-

### **Chinese Firms** Vow to Contest Suit by Lehman

By Kevin Murphy

HONG KONG - A leading Chinese industrial group threatened Monday to countersue in a dispute with the U.S. securities house Lehman Brothers Inc. that has helped to sour foreign investors' perceptions of China.

Two metals and minerals, trading companies of the group said they would contest a \$52 million lawsuit filed against it in New York.

The case, now widely watched as a barometer of corporate China's willingness to honor contracts and pay its debts, will see the state-backed China National Metals & Minerals Import & Export Corp. and Minmetals International Non-Ferrous Metals Trading Co. fight charges alleg-ing liability for losses sustained in derivative trading in May and June this year.

"We intend to respond vigorously to Lehman's claims, which we believe are entirely without merit," said Cao Yong-fang, president of Minmetals.

Minmetals said that it might pursue counterclaims against Lehman's alleged "improper and unfair marketing, trading and investment advisory ser-

The company suggested that a young trader had been "hared" into increasingly risky trades beyond his expertise, Bloomberg Business News re-

Minmetals has retained Kaye, Scholer, Fierman, Hays & Handler, a New York-based law firm, to represent it. The firm specializes in litigation involving derivative securities.

Lehman did not comment Monday on the case but has a large resort next to its Sherasaid previously that earlier successful trades conducted by Minmetals demonstrated its awareness of the risk involved in such transactions.

Lehman's decision to resort to string the two Minmetals \$66 in heavy trading, while ITT Petroleum Chemicals for a separate \$44 million claim in Federal Court in New York is a rare businesses as it seeks a balance public move and has brought between that division and its the frustration of some foreign insura businesses encountering diffi-units.

culties with Chinese companies into the open.
The credit-rating company

Standard & Poor's Corp. earlier this month noted a string of disputes over breach of contract, as well as reports that a group of 31 foreign banks had appealed for help from China's deputy prime minister, Zhu Rongii, in recovering \$600 mil-lion in bad debts owed them by state industries.

Standard & Poor's said these developments should be reflected in assessments of China's sovereign credit rating.

"The perception that some Chinese companies will walk away from their obligations is out there in the market," said a fixed-income securities analyst in Hong Kong, "It means it will See LEHMAN, Page 13

#### Caesars World Soars on ITT's \$1.7 Billion Bid

The Associated Press

NEW YORK - Caesars World Inc.'s stock price leaped 46 percent Monday after ITT Corp. offered to buy the big casino operator for about \$1.7 billion, in a major expansion of the conglomerate's hotel and entertainment business.

The friendly bid would unite one of the best-recognized names in gaming with ITT's Sheraton hotel chain.

ITT said that in light of the deal, it would scrap plans to build a \$750 million resort on the Las Vegas Strip. It had announced in May it would build ton Desert Inn.

ITT offered \$67.50 a share for all of Caesars' stock, a 49 percent premium to its closing price of \$45.25 a share Friday. Caesars shares soared \$20.75, to

ITT has been expanding its lodging and entertainment

### Bigger EU Awakens de Gaulle's Ghost

By Reginald Dale

tional Herald Tribune ASHINGTON — An evocative word with a pedigree reaching back to the French Revolution is beginning to be heard again as France bids to maintain its influence in today's rapidly changing Europe.

The word is directoire - an elite executive body on the lines of the five-strong revolutionary Directory that ran France just before Napoleon took power at the end of the 18th century. The word became notorious in mod-

ern European diplomacy in the 1960s, when President Charles de Gaulle secret-ly proposed a directoire of France, Germany, Britain and Italy to run Europe's political affairs, bypassing the fledgling federal institutions in Brussels. The plan, rightly seen by France's partners as a violation of the "Communi-

ty spirit," under which big countries are not supposed to gang up on smaller ones, came to nothing. Now, with de Gaulle's political heirs once again governing France, the ghost of his directoire is stalking the European

slightly different form, the idea is likely to be just as strongly opposed by the smaller countries and by supporters of a more federal Europe. Seen from Paris, the problem is how to maintain France's political leadership and influence over Germany — the two fun-

damental objectives of France's European

Union. And though it has taken on a

policy since World War II -- in a Union that is likely to expand to as many as 27

members by early in the next century. Paris is now resigned to this huge en-largement — provided the Union's institutions are first reordered in a way that will allow France to retain as much con-

trol as possible over the Union's future. The thinking seems to be as follows: France alone — even France and Germany together — could easily be outvoted in this vast new grouping. What is needed is a bloc of states that would

France is looking for a way to organize a strong bloc of states that will share its interests.

broadly share French interests and be

large enough to get its way.

The obvious candidates are the current five big countries—de Gaulle's four plus Spain - in which France would be neatly in the swing position between two North European and two Latin mem-

It would be much easier for France to lead this group than to lead a 27-nation Union stacked with friends of Germany. Prime Minister Edouard Balladur, who may well be France's next president, has started preparing the ground by calling not only for stronger links with Germany but with Britain, Italy and Spain, too.

Given their dominant share of the EU's population, Mr. Balladur argues, it would be "unacceptable" for the five countries to be put in a minority under the voting procedures that will have to be worked out for an expanded Union.

But enforcing this principle would mean changing voting rules to the detri-ment of smaller countries, which will complain bitterly that they are being margina-lized. French officials admit they cannot

yet figure out how to get away with it.
So Paris is now floating various formulas to make the directoire more attractive --- perhaps by making it an official offshoot of the EU's Council of Ministers and including some smaller countries on a rotating basis.

France has not clarified how this would fit in with the German proposal for a "hard core" of countries to move ahead more quickly to economic and political or with Mr. Balladur's own concept of a Europe of concentric circles.

Britain, Italy and Spain would be unlikely to be founding members of Germany's hard core or of France's innermost circle. And the directoire approach also runs counter to Germany's wish for a federal Europe with strong central in-

French officials say that Germany privately favors the directoire but does not dare say so. But unless France can reconcile these contradictions, and somehow sway the smaller countries, the latest directoire will suffer the same fate as its illustrious but short-lived predecessors.

#### EU Ministers Bless **World Trade Pact**

By Tom Buerkle nal Herald Tribune

BRUSSELS - European Union foreign ministers endorsed the Unignay Round global trade agreement on Monday, ensuring that all of the world's major trading nations will put the accord's tariff cuts and other liberalization measures into effect

beginning Jan. 1. We have given a huge boost to the European economy," said Sir Leon Brittan, the EU trade commissioner. The global accord will lower tariffs by more than one-third, extend trade rules to services and setu up a powerful World Trade Orization to resolve disputes.

Separately, Sir Leon expressed hope of resolving by year-end a tariff dispute with the United States over semiconductors and other items that threatens to mar the start-up of the Uruguay Round pact.

Sources said Sir Leon spoke by telephone last week with the U.S. trade representative, Mick-ey Kantor, after earlier talks between officials ended in deadlock. Sir Leon refused to give details of the discussion but said the Union made a "reasonable offer" that should lead to a temporary solution of the dispute. U.S. sources said officials would resume negotiations via a phone conference on Wednesday.

The United States is demanding compensation for the adoption of EU tariffs by Swecomputer parts to orange juice. The endorsement of the Uru-

guay Round accord was a low-key end to more than a year of wrenching debate over Europe-an trade policy. The only dissent came from a group of six coun-tries led by Germany, Belgium and the Netherlands, which said their support did not extend to the Union's banana quotas.

As part of their move, ministers also endorsed a toughening of Europe's trade defenses that will make it easier for corporations to initiate complaints and strengthen the definitions of subsidies used in anti-dumping

Formal EU ratification will come Thursday. Six of the 12 EU parliaments also have ratified, while France, Spain, Portugal, the Netherlands, Belgium and Greece have pledged to follow suit by Dec. 30.

Separately, Greece continued to block agreement on establish-ing a customs union between the Union and Turkey, but officials indicated a breakthrough was likely early next year.

All other ministers endorsed

the position of Foreign Minister Klaus Kinkel of Germany, who said the Union should complete a deal as quickly as possible even as it protests the lenghthy prison sentences handed down recently to Kurdish members of Turkey

Officials of France, which den, Finland and Austria when will take over the EU presidenthey enter the Union on Jan. 1. cy in January, said they would

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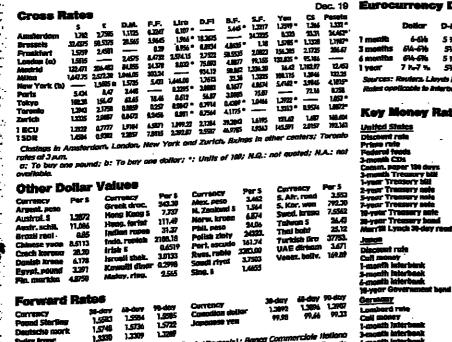


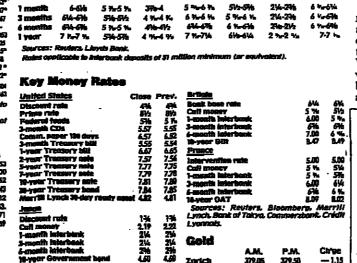
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#### **CURRENCY & INTEREST RATES**







**Dow Jones Averages** 

EUROPEAN FUTURES

### Share Prices Ease **Before Fed Meeting**

retreated Monday after gaining five times in the six previous sessions, amid nervousness about the Federal Reserve Board's monetary-policy meeting Tuesday.

The Dow Jones industrial average closed at 3,790.70, down 16.49 points. Declining issues

#### U.S. Stocks

ate at 271.69 million shares. While most of the day's sell- half of 1995. ing was attributed to technically motivated profit-taking, analysts said they had detected some anxiety about the central Bank's Open Market Committee meeting. The Fed has raised rates six times this year to try to grevent inflation.

The bond market reflected this wariness, as the benchmark 30-year Treasury bond moved Tittle during the day and ended at a price of 96 3/32, up 4/32.

The yield slipped to 7.84 percent from 7.85 percent Friday.

Takeover news inspired in-Takeover news inspired in-'terest in several stocks. Caesars World rocketed 20% to 66 and sales won't meet expectations. led the Big Board's active list on

NEW YORK — Stock prices ITT offered \$67.50 a share, or about \$1.7 billion, for the gambling company.

The Dow

In other takeover-related action, U.S. Shoe jumped 2% to 19 in response to word that Nine West Group was negotiating to

One of the session's biggest losers was Cyrix, which tumbled 94 to 194 in over-thecounter trading and was the outnumbered gainers by about a day's most actively traded issue. 4-to-3 ratio. Volume was moder -: The computer chip maker issued a grim forecast for the first

Intel was the next-most-active issue, falling 1 11/16 to 57 13/16, as news reports said a New York bank and a company had discovered calculation errors caused by Intel's Pentium

Quantum Health Resources fell 31/2 to 311/2 on trading of 1.8 million shares. Analysts at Needham & Co. reduced earnings estimates for the healthcare concern.

Retailers fell, relinquishing some of Friday's gains amid concern Christmas boliday

(AP, Bloomberg)

#### **Dollar in Doldrums** As Market Awaits Fed

"Compiled by Our Staff From Dispatches NEW YORK — The dollar moved little on Monday as traders awaited the outcome of the Tuesday meeting of the Federal Open Market Committee, which determines the cen-\_tral bank's monetary policy.

"A majority of the market thinks, like I do, that the Fed

#### Foreign Exchange

won't hike rates," said Richard "-Vullo, currency sales manager at Bayerische Hypotheken- & Wechsel-Bank.

The dollar closed Monday at 1:5735 Deutsche marks, slightly higher than a closing rate of 11.5728 DM on Friday, and at \*9 700.115 yen, little changed from c100.220 усп.

f Although U.S. economic staitistics such as housing starts and capacity utilization showed strong growth in November, -Fed policymakers — including Vice Chairman Alan Blinder have indicated that they want to see economic data for December before raising rates again.

Those numbers will not be re-

leased until January. Many analysts predicted the Fed would tighten its credit reins again at the meeting scheduled for the end of next month.

The dollar also gained some support Monday from intensi-fied fighting in Russia's Chechnya region. The U.S. currency often is considered a safe haven in times of world turmoil.

has gone down to near zero and, barring surprises, it will remain near zero for the next two weeks," one trader said. "Most people see the dollar

ner at Foreign Exchange Analytics. For the rest of this year, he 1,5800 DM to 1,5850 DM as traders wind down operations.

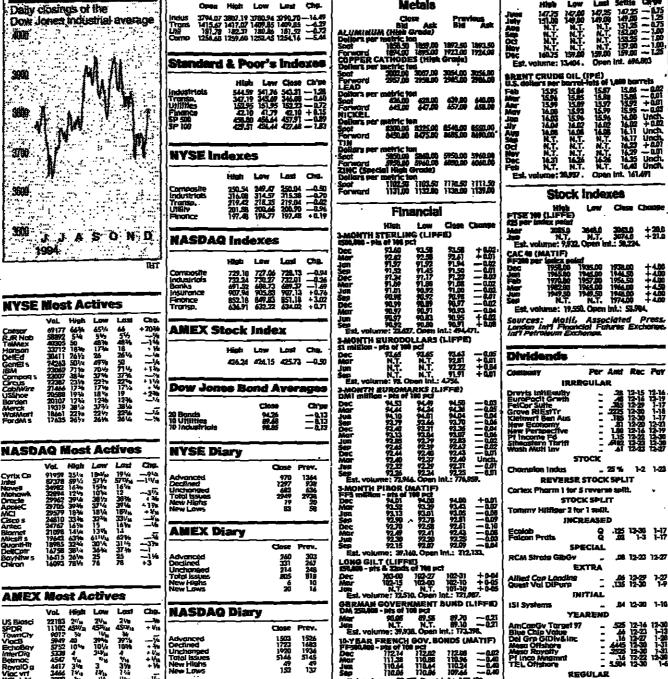
Against other currencies, the

**AMEX Most Actives** 

Volume was light. "Activity

rising above 1.60 marks next said David Gilmore, partsaid the dollar would hold at

dollar slipped to 1.3325 Swiss francs from 1.3328 francs on



#### Mattel to Slash 1,000 Jobs

NEW YORK - Mattel Inc. announced Monday it would cut 1,000 jobs as part of a restructuring involving the consolidation of

Spot Commodities

manufacturing operations and the reduction of expenses at its Mattel also announced a 5-for-4 stock split and said its board planned to maintain a regular quarterly dividend of 6 cents per

share in 1995 on the increased capital. The restructuring will result in a pretax charge of \$70 million to Friday and to 5.4210 French earnings in 1994 but should produce pretax savings of about \$25 francs from 5.4235 francs. The million in 1995 and more in later years. The company added that pound was steady at \$1.5605. the restructuring was taking place despite expectations for a sixth (Knight-Ridder, Reuters) (Bloomberg, AFX) year of record results.

#### ROLLS: BMW to Supply Engines

Continued from Page 11 Motors Corp. through its share draw up detailed plans for in Sweden's Saab Automobile Rover, which so far has largely

Against larger rivals at home and abroad, BMW - which produces slightly fewer than 600,000 cars a year — has mannged to remain active and prosper. Mr. Lawson of DRI said the company had jumped at every opportunity that had come

its way this year. Analysis said the next big

challenge for BMW would be to been left to run its own affairs.

Some in the industry said they were waiting for BMW to say which Rover models would be pushed in the long term and which ones might be cut from a product list that many insist is too long for a company produc-ing 400,000 vehicles a year. Its products now include the fourwheel-drive Range Rover.

### U.S./SHORT COVER

Goldman Aids Rockefeller Center NEW YORK (AP) - Rockefeller Center Properties Inc. said

Mew YORK (AP) — ROcketcher Center Properties me said
Monday it had completed an agreement to borrow \$225 million
from two affiliates of Goldman, Sachs & Co.
The deal was struck with Goldman Sachs Mortgage Co. and
Whitehall Sach Berl Errote Limited Partnership V Whitehall Street Real Estate Limited Partnership V, which is managed by Goldman. Rockefeller Center Properties, which holds the \$1.3 billion mortgage on the financially ailing Rockefeller. ler Center real estate complex, will use the funds to retire short-

term debt and reduce risk on interest-rate derivatives. Under the accord, Goldman affiliates will receive rights to purchase up to 19.9 percent of the outstanding shares in Rockefeller Center Properties 21 \$5 a share. Goldman Sachs also will have the right to choose one director.

#### Burlington Raises Offer for Santa Fe

FORT WORTH, Texas (AFX) - Burlington Northern Inc. said Monday it had increased its offer for Santa Fe Pacific Corp. by 17 percent, to \$20.40 a share in cash and stock, or about \$3.8 hillion. Under the two-step offer, Burlington and Santa Fe would together buy 33 percent of Sante Fe's stock for cash in a tender offer that is expected to begin on Dec 23. Following regulatory approval which is expected in mid-1996, Burlington would buy the remaining shares through a stock swap.

#### Philip Morris Sells Kraft Foodservice

NEW YORK (Combined Dispatches) - A corporation formed by Clayton, Dubilier & Rice Inc. will acquire Kraft Foodservice Inc. from Philip Morris Cos., CD&R said Monday.

The acquirities of the control of the acquire Kraft Foodservice Inc. from Philip Morris Cos., CD&R said Monday.

The acquisition specialist did not disclose the terms, but a source said Clayton, Dubilier would pay about \$700 million in cash, and that the End Dubilier would pay about \$700 million in cash, and that Kraft Foodservice's management would remain in place and would put up 10 percent to 15 percent of the purchase price.

Kraft Foodservice, acquired by Philip Morris in 1989, is the second-largest U.S. distributor of food service products, with annual revenue of about \$4 billion. The accord is subject to regulatory and other approach. (Knight, Bidder, 4 FY, Bloomband)

regulatory and other approvals. (Knight-Ridder, AFX, Bloomberg)

#### Exor to Buy Xerox Insurance Unit

STAMFORD, Connecticut (Bioomberg) - Xerox Corp. signed a stock purchase agreement to sell its Constitution Re Corp. reinsurance unit to Exor Group for more than \$400 million in cash.

Constitution Re Corp. is the New York-based parent of Constitution Re Corp. tution Reinsurance Corp., a reinsurer mainly for domestic regional and specialty insurance companies. The company wrote net premiums of \$454 million in 1993.

#### LTV Joins in Southeast Steel Venture

CLEVELAND (AP) — LTV Corp. announced Monday a joint venture with British Steel PLC and Sumitomo Metal Industries Ltd. of Japan to build and operate a \$450 million plant in the southeastern United States to produce flat-rolled steel.

LTV will own 50 percent of a new firm, Trico Steel Co., with the other companies each owning 25 percent.

#### For the Record

Ben & Jerry's Homemade Inc. said it would report a fourthquarter loss of as much as \$900,000, its first since going public in 1984, because consumers have been opting for inexpensive ice cream. The company said it expected a profit for the year. (AP)

9 15 1-1 1-13 9 25 12-7 1-12 9 25 12-7 1-12 9 25 12-7 1-13 9 25 12-7 1-13 9 25 12-7 1-13 9 25 1-10 2-1 9 25 1-10 2-1 9 25 1-10 2-1 9 25 1-10 2-1 9 25 1-10 2-1 9 25 1-10 2-1 Mobile Communications Holdings Inc. said its board had unanimously rejected a revised takeover proposal made by Metrocall Inc., valuing USA Mobile at \$14.50 per share, or \$214 million, and that Mobile Communications was going forward with a merger with Premiere Page, the assets of which Metrocall had included in (Knight-Ridder)

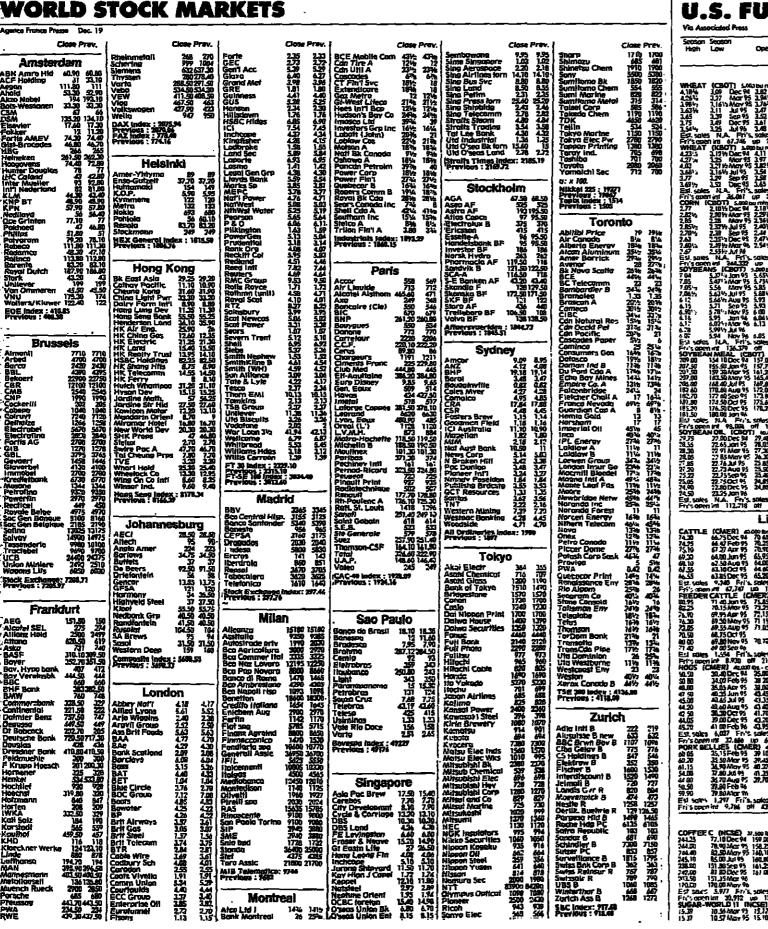
#### **Weekend Box Office**

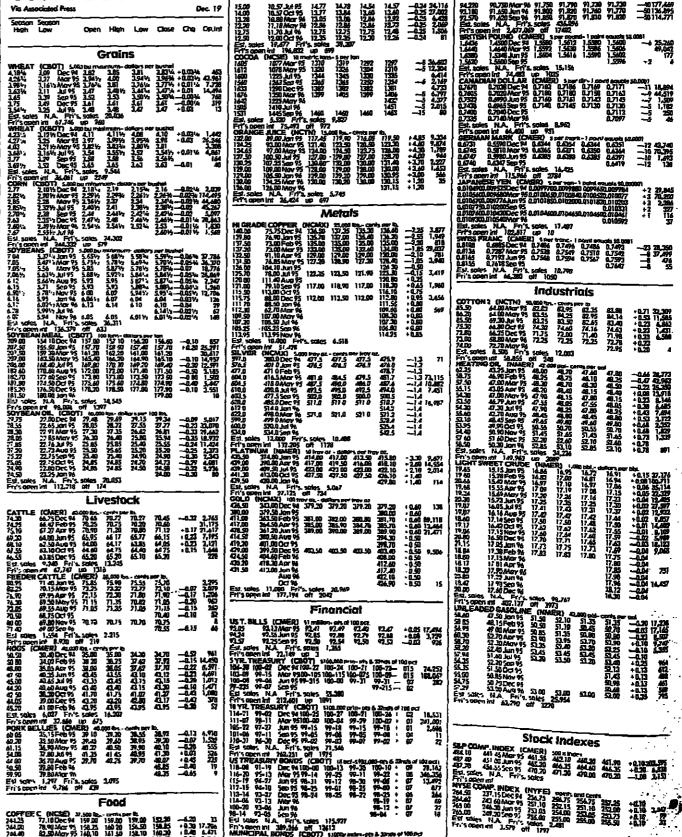
The Associated Press

LOS ANGELES - "Dumb and Dumber" dominated the U.S. box office with a gross of \$16.2 million over the weekend.

CAMENTA STERME TOD IN	moneamarers' paser on	Engry or
	for Saturday and Sunday.	
"Dumb and Dumber"	(New Line Cinema)	\$16,2 million
"The Sonfu Clouse"	(Walt Disney)	\$8.2 million
"Disclosure"	· (Warner Brothers)	\$7.3 million
"Speechiess"	(Metro-Galawyn-Mayer)	\$4.7 million
"Drop Zone"	(Paramount)	53.7 milijon
"The Lion King"	(Walt Disney)	\$7.9 milition
"Stor Trek Generations"	(Paramount)	\$1.7 million
"Junior"	(Universal)	\$7,6 million
"A Low Down Dirty Shame"	(Bueno Visto Pictures)	\$1,4 million

#### **VORLD STOCK MARKETS**





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### Northern Electric Rejects £1.2 Billion Trafalgar Bid

Compiled by Our Staff From Dispatches

LONDON — Trafalgar

House PLC, the construction

Trafalgar

For Northern Electric's business
of only \$8.48 per share with a and transportation conglomerate, on Monday offered £1.2 billion (\$1.88 billion) in cash and stock to acquire Northern Electric PLC, but the British utility

rejected the bid as inadequate. The offer by Trafalgar House. which is part of the Hong Kongbased Jardine Matheson group, valued each Northern Electric share at £10.77, a premium of 19.7 percent over the price Wednesday — just before Swiss Bank Corp., Trafalgar's adviser, said it might make a bid.

Later Monday, Northern Electric rejected the offer as inadequate." It said, "Nearly 60 percent of the basic offer consists of paper of uncer-

Twachtmann, sources said.

LONDON — S. G. Warburg Group PLC's

aborted merger talks with Morgan Stanley & Co.

apparently claimed its first victim Monday with

the departure of a Warburg director. Peter

Mr. Twachtmann was co-director of Warburg's

important fixed-interest division, responsible for

issuing and trading bonds. Warburg communicat-

A spokesman confirmed that Mr. Twacht-

ed his departure in a two-line announcement.

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK

R. H. MACY & CO., INC., et al.,

of only £8.48 per share with a value for the holding in National Grid of only 12 per share."

unhancing and we will get signif-icant tax gains," said Chief Exec-utive Nigel Rich of Trafalgar.

But in a dig at Jardine, North-ern Electric said: "The financial

attractions of Northern Electric

to Trafalgar House and its major shareholder are obvious. In con-

trast, Northern Electric can see

no advantage to its shareholders

in becoming part of a financially

challenged conglomerate, effec-tively controlled by an off-shore minority shareholder, whose in-

terests may differ from those of

Investors generally welcomed the bid and Northern Electric's

share price climbed 40 pence to

1,025 pence, while Trafalgar

(Bloomberg, AFX)

the public shareholders."

a senior director, but denied a comment he had

There was a review of the leadership of the

made during merger negotiations was responsible.

division," the spokesman said. "That was made

clear to people some time ago."
But banking sources said Mr. Twachtmann had

been asked to leave Friday after saying in a

newspaper interview that his division could not

match Morgan Stanley's expertise, making job

Mr. Twachtmann was not in his office on Mon-

losses there inevitable.

Northern Electric owns 6.5 percent of National Grid Hold-ings PLC, which operates the British electricity distribution network and is owned by the 12 English and Welsh electric utilities. It is expected to be publicly floated and Northern Electric said it planned to distribute its share to its stockholders.

The bid fit Trafalgar House's plan of acquiring investments that provide steady earnings to complement the company's construction projects, which take shares rose half a penny, to 74.5

Warburg Director Exits After Busted Deal

mann's summary exit was unprecedented for such day and could not be reached for comment.

Chapter 11 Case Nos. 92 B a0177 (BRL)

NOTICE OF ENTRY OF CONFIRMATION ORDER

TO ALL BOLDERS OF CLAIMS AGAINST AND INTERESTS IN THE ABOVE-CAPTIONED DEBTORS AND DEBTORS IN POSSESSION AND ALL OTHER PARTIES IN INTEREST, PLEASE TAKE NOTICE THAT:

EQNFIRMATION OF THE PLAN

By Order dated December 8, 1994 (the "Confirmation Order"), this Court has confirmed the Second Amended Joint Plan of Reorganization of R. H. Macy & Co., Inc. and Certain of Its Subsidiaries, as modified (the "Plan"). Unless otherwise defined in this Notice, capitalized terms and phrases have the meanings assigned to them in the Plan and the Confirmation Order.

In this Notice, capitalized terms and phrases have the meanings assigned to them in the Plan and the Confirmation Order.

<u>BISC HARGE AND RELEASE</u>.

Except as otherwise provided in the Plan or the Confirmation Order, the rights afforded under the Plan and the treatment of Claims and Interests under the Plan will be in exchange for and in complete satisfaction, discharge and release of all Claims and termination of all Interests, including any interest accrued on Claims from the Peinton Date. Except as otherwise provided in the Plan or the Confirmation Order, the Debtors are, as of the Effective Date, discharged from all Claims or other debts that arose before the Effective Date, including all debts of the kind specified in section 502 by thior (i) of the Bankruptey Code, whether or not; (i) a proof of Claim based on such debt is filed or deemed filed pursuant to section 501 of the Bankruptey Code, (ii) a Claim based on such debt is allowed pursuant to section 502 of the Bankruptey Code or (iii) the holder of a Claim based on such debt has accepted the Plan. In addition, except as otherwise provided in the Plan or the Confirmation Order, the entry of the Confirmation Order is deemed to terminate all Interests and other rights of equity security holders in the Debtors. In accordance with the foregoing, except as provided in the Plan or the Confirmation Order, is void.

INIINCTION

INJUNCTION

As of the Effective Date, except as provided in the Plan or the Confirmation Order, all entities are permanently enjoined from

As of the Effective Date, except as provided in the Plan or the Confirmation Order, all entities are permanently enjoined from asserting against the Debtors, the Reorganized Debtors, their respective successors or their respective properties, any other or future Claims, demands, debts, rights, causes of action, liabilities or equity interests based upon any act, omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date.

Except as otherwise provided in the Plan or the Confirmation Order, as of the Effective Date, all entities that have held, currently hold or may hold a Claim or other debt or liability that is discharged or an interest or other right of an equity security holder that is terminated pursuant to the terms of the Plan are permanently enjoined from taking any of the following actions on account of any such discharged Claims, debts or liabilities or terminated Interests or rights: (i) commencing or continuing in any manner any action or other proceeding against the Debtors, the Reorganized and decree or order against the Debtors, the Reorganized and decree or order against the Debtors, the Reorganized and decree or order against the Debtors, the Reorganized and decree or order against the Debtors, the Reorganized and decree or order against the Debtors, the Reorganized and decree or order against the Debtors, the Reorganized and decree or order against the Debtors, the Reorganized and decree or order against the Debtors, the Reorganized and decree or order against the Debtors, the Reorganized and decree or order against the Debtors, the Reorganized and decree or order against the Debtors, the Reorganized and decree or order against the Debtors.

BAR DATES FOR ASSERTING CERTAIN CLAIMS

Except as set forth below, unless previously filed, requests for payment of Administrative Claims must be filed and served on the Reorganized Debtors no later than 30 days after the Effective Date. Holders of Administrative Claims that are required to file and serve a request for payment of such Claims and that do not file and serve a request by the applicable bar date shall be forever barred from asserting such Claims against the Debtors, the Reorganized Debtors, their respective successors or their respective properties. Objections to such requests must be filed and served on the Reorganized Debtors and the requesting party by the later of: (i) 90 days after the Effective Date and (ii) 60 days after the filing of the applicable request for payment of Administrative Claims.

respective projectives. Objections or the Effective Date and (ii) 60 days after the filing of the applicable request for payment of by the later of: (ii) 90 days after the Effective Date and (iii) 60 days after the Effective Date (including compensation requested S03(b) and 1 t03 of the Bankruptcy Code for services rendered before the Effective Date (including compensation requested parsuant to section 503(b)(3) and (4) of the Bankruptcy Code by any Professional or other entity for making a substantial parsuant to section 503(b)(3) and (4) of the Bankruptcy Code by any Professional or other entity for making a substantial parsuant to section 503(b)(3) and (4) of the Bankruptcy Code by any Professional or other entity for making a substantial parsuant to section 503(b)(3) and (4) of the Bankruptcy Code by any Professional or other entity for making a substantial parsuant by the Bankruptcy Rules an application for final allowance of compensation and reimbursement of expenses parsuant to the Ordinary Course Professionals' Order may continue to receive such compensation and reimbursement of expenses for services rendered before the Effective Date, without further Court review or approval, pursuant to the Ordinary of expenses for services rendered before the Effective Date, without further Court review or approval, pursuant to the Ordinary Course Professionals' Order. Objections to applications of Professionals or other entities for compensation or reimbursement Course Professionals' Order. Objections to applications of Professionals or other entities for compensation or reimbursement Course Professionals' Order of the Reorganized Debtors and the requesting party by the Inter of: (i) 75 days after the effective Date and (ii) 30 days after the filling of the applicable request for the payment of Administrative Claims based on liabilities incurred by a Debtor in the ordinary course of its business (including Administrative Claims based on liabilities incurred by a Debtor in the ordinary course of its business (includi

BY ORDER OF THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

#### Lira Hits a Low As Berlusconi's **Coalition Totters**

LONDON - The lira stabilized at weak levels on Monday after plunging to a record low against the Deutsche mark as investors braced for as many as three no-confidence votes in Parliament this week against Prime Minister Silvio Berlusconi.

The mark fetched as much as 1,047.60 lire when the lira

dove to its low in early trading, but the German currency stabilized slightly in later trading and closed at 1,046.05 lire in Milan, still higher than the 1,032.60 close on Friday.

Analysts said that if Mr. Berlusconi resigned, that could initially drive the lira down about 2 percent. But in the longer term, a clarification of the Italian political situation could help the currency, they said. "Berlusconi's credibility in financial markets is exceptionally low and his resignation would not necessarily be a bad thing for the lira," said Mark Geddes, an analyst with Mid-

land Global Markets. Since it left the exchange-rate mechanism of the European Monetary System in late 1992, the lira has lost more than 37 percent of its value against the mark. Paul Lambert, an analyst with Union Bank of Switzerland, said that it was not Mr. Berlusconi's possible departure as

the name of his successor." The votes are not expected to come until Thursday at the earliest, after a controversial 1995 budget bill has been passed into law and Mr. Berlusconi has addressed Parliameni.

such that worried dealers "but rather the uncertainty about

Italy's markets have suffered repeated blows over recent months as Mr. Berluscon's fragile coalition fell prey to infighting. In the meantime, the government unveiled plans Monday for sweeping reform of Italy's cumbersome tax system, but the proposals could be stillborn in view of the fragility of the government. The reforms, which aim to cut red tape and give local authorities more power to raise cash, partly satisfy the demands of the federalist Northern League, the rebel coalition party that is trying to oust Mr. Berlusconi.

(Reuters, AFP)

#### EU Rejection **Slows Plans** In Norway AFP-Extel New

OSLO - Norsk Hydro AS said Monday it would postpone two planned export-oriented projects to be built in Norway worth several billion kroner because of the country's rejection of European Union membership last month.

A 5 billion kroner (\$735 million) project to double capacity at an aluminum plant in Sunndalsoera has been put on hold, according to Tor Steinum, a Norsk Hydro spokesman.

Norsk Hydro's magnesium division has postponed the establishment of a car components factory in Porsgrunn, he said, adding that Norsk Hy-dro's president, Egil Mykelbust, has indicated the factory will most likely be located in another country now.

Investments to increase production capacity in Norway will be put on hold "until the neces sary confirmation comes that this 'no' vote will not negatively affect our exports to the EU countries," Mr. Steinum said.

"These are just two examples of the types of investments that could be canceled in the future," Mr. Steinum said. "There

may be more to come."
"Our domestic markets are secured," he stressed.

### Saatchi Shares Slip on Ouster

dipped Monday after the company's 48-year-old chairman and co-founder lost a boardroom bat-

agency in 1970 with his brother Charles, was ousted by the board late Friday because of pressure from a group of shareholders led by the Chicago-based fund Harris & Co. He has been given until "early January" to decide whether to stay on in a lesser role, a company spokesman

nial title of co-president with his brother and chairmanship of a subsidiary, Saatchi & Saatchi Advertising Worldwide. The name of the holding company also is to be changed.

LONDON - Shares in Saatchi & Saatchi Co. er: U.S.-based candy company Mars Inc., British Airways PLC and Mirror Group Newspapers of Britain. Together they account for about 8 percent of the ad agency's £800 million (\$1.25 billion) in annual revenue.

Colin Marshall, chairman of British Airways, which has an account worth about £14 million a year, wrote to the board of Saatchi & Saatchi on Friday requesting that the company sort out its management situation as quickly as possible. A European consultant who has advised BA

on its marketing strategy in the past said it would be difficult and expensive for BA to untangle its Maurice Saatchi had been embroiled since

March in a struggle for control of the company with Chief Executive Charles Scott.

The trigger for the shareholder revolt, led by David Herro of Harris Associates, was an execuompany also is to be changed. tive incentive package that would have netted A priority for the new management will be to Maurice Saatchi nearly \$8 million if the compastop key clients deserting the agency. At the top ny's share price doubled, to 300 pence, in the

#### Frankfurt DAX **Paris** London **CAC 40** FTSE 100-Index 2300 2000 -1800 J A S O N D 2800 JASOND Exchange Close 408,38 +0:60 AEX 410.85 Amsterdam +0.04 Brussels Stock index 7.208.71 7,205,97 Frankfurt 2,075,94 2,070.06 +0,28 DAX +0.55 Frankfurt FAZ 778.40 774.16 Helsink +0.48 HEX 1,806.76 1.815.50 +0.60 London Financial Times 30 2.329.10 2.315.10 FTSE 100 +0.69 London 3,034.40 3,013.60 Madrid 297.76 -0.10 General Index 297.46 Milan MIBTEL 9,744.00 9,682.00 +0.64 Paris 1,928.09 +0,20 **CAC 40** 1,924.16 Stockholm Affaersvaeriden 1,844.73 1,845.51 -0.04 +0.79 Vienna ATX Index 1,035.35 1,027.23 -0.08 Zurich SBS 917.58 918,40 Sources: Reuters, AFP

Investor's Europe

#### Very briefly:

• Iberia asked for Spanish government permission to cut 5,220 jobs, nearly 22 percent of its work force, a Labor Ministry spokesman said, but the state-owned airline pledged to negotiate with unions in the next 30 days to try to reduce the job cuts.

• Unilever Group, the Anglo-Dutch food and consumer products company, said it was switching from a regional marketing strategy for its food products to a global one, a move that would give new responsibilities to three European executives.

• The High Court in London approved a \$1.8 billion compensation accord between Abu Dhabi and the liquidator and creditors of the collapsed Bank of Credit & Commerce International SA, the first of three approvals needed before the liquidator, Price Waterhouse, can proceed with the compensation agreement.

• Britain's economy will grow 3.4 percent next year, nearly the same as this year, but slow to 3 percent growth in 1996 as shortterm interest rates rise and inflation again becomes a potential threat, the Organization for Economic Cooperation and Development said in a semiannual report. Reuters, AP, Bloomberg, AFP, 4FX

#### German Recovery Rolls On

FRANKFURT - The German economic recovery will continue unhampered by inflationary pressures, but unemployment remains a problem, the German central bank said

in its December report. The Bundesbank said inflation may fall below 2.5 percent in early 1995 and added it was reasonable to expect lower inflation rates in the future. West

German consumer inflation was

-- 2.7 percent in November.

The decline will be caused partly by a positive statistical effect related to the fuel tax levied in 1994 and a slowdown in service-sector costs.

Economic growth, picking up noticeable speed during the summer months, is now underpinned by revived domestic demand plus exports, the Bundesbank said. "Virtually all indicators are definitely pointing upward," it said.

### expressed support for the deposed Saatchi broth-

tle to keep control of the company. Maurice Saatchi, who founded the advertising

The company's shares finished Monday at a four-month low of 151 pence (\$2.36), down from links with Saatchi & Saatchi, 154 pence at the end of last week.

Maurice Saatchi has been offered the ceremo-

of the list will be three companies that had next three years. Commence of the control of the control of the

#### T TITLE A BIT LEHIYLAIN: Suit Threatened

Continued from Page 11

take a little bit extra to sell new China deals."

manner any action or other proceeding against the Debtors, the Reorganized Debtors or their respective properties; (ii) and manner any judgment, award, decree or order against the Debtors, the Reorganized Debtors or their respective properties; (iii) creating, perfecting or enforcing any lien or encumbrance against the Debtors, the Reorganized Debtors or their respective properties; (iv) to the fullest extent permissible under applicable law, asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors, the Reorganized Debtors or their respective properties; and (v) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan and the Confirmation Order.

As of the Effective Date, all entities that have held, currently hold or may hold a claim, demand, debt, right, cause of action or liability that is released claims, demands, debts, rights, causes of action or liabilities: (i) commencing or continuing in any manner any action or other proceeding; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order, (iii) creating, perfecting or enforcing any lien or encumbrance; (ii) to the fullest extent permissible under applicable law, asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to any released entity; and (v) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan or the Confirmation Order.

By accepting distributions pursuant to the Plan, each holder of an Allowed Claim receiving distributions pursuant to the Plan is deemed to have specifically consented to the injunctions set forth in the Confirmation Order.

All injunctions or stays provided for in the Reorganization Cases pursuant to sections 105 or 362 of the Bankruptey Code or otherwise extant will remain in full force a Beijing is clearly concerned that recent controversies may hamper its ability to raise money from international securities markets or slow direct invest-On the Effective Date, all contractual, legal or equitable subordination rights that a holder of a Claim or Interest may have with respect to any distribution to be made pursuant to the Plan are discharged and terminated, and all actions related to the enforcement of such subordination rights are permanently enjoined. Accordingly, distributions pursuant to the Plan to holders of Allowed Claims will not be subject to payment to a beneficiary of such terminated subordination rights, or to levy, garnishment, attachment or other legal process by a beneficiary of such terminated subordination rights. ment in China, but the authorities have recently moved to distance the government from liability in individual cases.

A front-page article in the official China Daily newspaper on Sunday blamed "vague and distorted foreign reports" of re-cent commercial disputes involving state-backed companies for "misleading" foreign inves-tors, who committed \$26 billion to China last year.

or other legal process by a beneficiary of such terminated subordination rights.

Pursuant to section 1146(c) of the Bankruptcy Code: (i) the issuance, distribution, transfer or exchange of New Securities and New Combined Company Share Purchase Rights; (ii) the creation, modification, assignment, consolidation, filing or recording of any mortgage, deed of trust, security agreement or similar instrument; (iii) the securing of additional indebtedness by such means or by other means or the additional securing of existing indebtedness by such means or by other means (whether in connection with the issuance and distribution of the New Mortgage Notes or otherwise in furtherance of, or in connection with the Plan); (iv) the creation, modification, assignment, delivery, filing or recording of any lease or sublease; or (v) the creation, modification, assignment, delivery, filing or recording of any lease or sublease; or (v) the creation, modification, dissolution or incumental modern of the Plan, including the Federated/Macy's Merger Agreement, any other agreements or certificates of merger, consolidation, dissolution or liquidation, deeds, bills of sale, assignments or other instruments of transfer accurated in connection with the Plan, the Confirmation Order, the Restructuring Transactions or the Refinance Transactions is such term is defined in the Confirmation Order, or any transactions arising out of, contemplated by or in any way related to the foregoing, whether occurring on or after the Effective Date, shall not be subject to any document recording tax, stamp tax or stamp act, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax or other similar tax or governmental officials or agents are directed to forego the collection of any such tax or governmental assessment.

BAR DATES FOR ASSERTING CERTAIN CLAIMS Also, in a China News report that blamed employees of Citic Shanghai Co. for losses in trades conducted through the London Metals Exchange, , Xu Shiwei, CITIC Shanghai's senior adviser, said that foreign companies had to share the responsibility.

> "I must regretfully point out," he said, "that certain foreign counterparts have got some screws loose in their own house, in other words, what they have done has to some extent assisted such a thing happening intentionally or unintentionally." "In the final analysis, flimsy

> linkage of corporate disputes to the government's credibility is a thinly veiled attempt to mar the image of China as an investment magnet," said the newspaper report of the backlash in commercial sentiment toward China. However, many foreign busi-

Holders of Administrative Claims under or evidenced by the DIP Crean Agreement with not be required to fue of serve any Holders of Administrative Claims.

The Ad Hoc Fee Committee appointed in the Reorganization Cases shall fike an application requesting final allowance of the Ad Hoc Fee Committee appointed in the Reorganization of ease and expenses for services rendered and expenses compensation and reimbursement of expenses of its members, inclusive of fees and expenses for services rendered and expenses of reimbursement of expenses, no later than 30 days after the entry of a Final Order on the final allowance of fees and expenses of reimbursement of expenses, no later than 30 days after the filing of such application must be filed and served on the Reorganized Debtors and the requesting party no later than 30 days after the filing of such application.

If the rejection of an executory contract or unexpired lease pursuant to Section V.A of the Plan gives rise to a Claim (including life the rejection of an executory contract or unexpired lease and of the respective successors or their respective properties and will not be enforceable against the Debtors, the Reorganized Debtors, their respective successors or their respective properties unless a proof of Claim is filed and served on the Reorganized Debtors, their respective successors or their respective Date, (ii) delivery of a notice of amendment pursuant to Sections Debtors no later than 30 days after the latest of: (i) the Effective Date, (ii) delivery of a notice of amendment pursuant to Sections Debtors and later than 30 days after the latest of: (i) the Effective Date, (ii) delivery of a notice of amendment pursuant to Sections Debtors and later than 30 days after the latest of: (i) the Effective Date, (ii) delivery of a notice of amendment pursuant to Sections and assignment or rejection of an executory contract or unexpired lease and (iii) a date value of the Plan providing for the rejection and assignment or rejection of an executory contract or unex nesses have privately reported that Chinese trade counterparties have begun to slow their payments, a development attributed in large part to the existence of a huge and complex web of indebtedness between domestic Chinese enterprises. Some analysts believe the

specter of bad debts may in-crease as Beijing takes steps to slow down an economy growing at more than 11 percent. Urban inflation in China reached 26 percent in November. "A case like this won't stop

people doing business in China, said Peter Geldart, head of Salomon Brothers Asia-Pacific power financing group, referring to the credit-control issues raised by the Lehman dispute. But it will prompt some who

have been hasty to think about whether they have been cutting corners or not," he said.

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Tables include the nationwide prices up to the closing on Wall Street and do not reflect

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provided in a subsequent order of the Bankrupicy Court.

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Execution of an executory contract or unexpired lease and (iii) a date pursuant to Section V.A of the Plan, assumption and assignment or rejection of an executory contract or unexpired lease pursuant to Section V.A of the Plan, including any assumption, assumption and assignment or rejection effectinated as a result of any amendment to Appendices V.A. 1.a. V.A. 1.b or V.A. 2 to the Plan, as contemplated by Sections V.A. 1 and V.A. 2 of the Office and Section II. H of the Confirmation Order, shall be legal, valid and binding upon the applicable Debtor or Reorganized Plan and Section II. H of the Confirmation order, shall be legal, valid and binding upon the applicable Debtor or Reorganized Plan and all non-Debtor parties to such executory contract or unexpired lease, all to the same extent as if such assumption, assumption and assignment or rejection had been effectuated pursuant to an appropriate authorizing order of the Court entered assumption and assignment or rejection had been effectuated pursuant to an appropriate authorizing order of the Court entered assumption and assignment or rejection had been effectuated pursuant to an appropriate authorizing order of the Court entered assumption and assignment or rejection had been effectuated pursuant to an appropriate authorizing order of the Court entered assumption and assignment or rejection had been effectuated pursuant to an appropriate authorizing order of the Court entered assumption and assignment or rejection by the Confirmation Order, if such contract or lease is contract or unexpired lease, all to the same extent as if such assumption of such contract or unexpired lease and the confirmation Order, if such contract or lease is contract or unexpired lease, all to the same extent as if such as a secution of the Confirmation Order, if such contract or lease is contract or unexpired lease, all to the same extent as a Dated: New York, New York December 8, 1994 WEIL, GOTSHAL& MANGES Attorneys for Debtors and Debtors in Possession 767 Fifth Avenue New York, New York 10153

JONES, DAY, REAVIS & POGUE ent Stores, Inc. 9011akeside Avenue Geveland, Ohio +1114 (216)586-3939 David G. Helman [DH 9111] (212) 310.8000 Harvey R. Miller [HM 6076] Richard P. Krasnow [RK 5707] Judy G.Z. Liu [J. 6449]

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### For Thrills and Chills, It's Jakarta Stocks May Surge Again, but Ride Won't Be Smooth:

By Paul Blustein

JAKARTA - Among the markets that have sprouted and surged throughout the developing world over the past several years, few are yeastier than the one in Indonesia's capital.

The Jakarta Stock Exchange was barely functioning six years ago, when a typical day's trading was a half-hour's desultory swapping of the two dozen listed issues.

Today the exchange has more than 200 listed companies and is one of the darlings of international fund managers. Its composite index soured 115 percent in

1993, although it has given up about 20 percent this year. The 1993 advance made indonesia Asia's third-fastest-rising market then, and foreign brokerage companies are pouring into Jakarta in the expectation that the exchange will become one of the biggest in East Asia early in the next century.

Indonesia, the world's fourth-most-populous country, possesses vast natural re-sources and has seen annual economic growth of nearly 7 percent for the past five years. The World Bank recently praised the country's economic performance over the past 25 years as one of the best in the developing world.

While the exchange's investment appeal is hardly a secret anymore, some analysts say Indonesian shares are poised for a

"I have been to Indonesia for a week and returned a convert," David Scott, regional strategist for W.I. Carr Ltd. in Hong

Kong, said in a newsletter to clients a few

We hear so much about China and India, yet Indonesia rarely merits a mention," Mr. Scott said. "This is quite wrong. Indonesia has a fantastic economy and is a

great long-term story."

Maybe so. But like most emerging markets, it is also full of pitfalls and of violent

The Jakarta exchange's composite index plunged from 681.90 points in April 1990

Shares of the biggest companies can move 5 percent or more in a day, and a small order from a foreign broker can spark a trading frenzy.

to 224.70 in October 1991, then roared

back to 612.80 in January of this year before retreating again. It closed at 459.39 Monday, up 0.61 for the day. Shares of even the biggest Indonesian companies often rise or fall by 5 percent or even 8 percent in a single day, and a relatively small order from a foreign broker can spark a trading frenzy that drives a

share's price sharply higher or lower.

"It's a very illiquid market, with very low daily turnover," said Eugene Gal-

braith, president of the brokerage firm HG Asia Indonesia "On a good day, there will be \$50 million or \$60 million worth of trading." That compares with daily volume in the billions or hundreds of billions of dollars in major international markets.

"It's a problem that will improve with time," Mr. Galbraith said, "but right now it's a real constraint, tying up your ability to realize profits."

Then there's the problem of lax rules. "It's a bit of a cowboy town," said the research director at another brokerage firm. "The market is quite sophisticated as developing markets go, but three days be-fore announcing their results, the companies can be relatively relaxed about telling

what the results will be." For these and other reasons, local brokers advise foreigners against investing directly in Indonesian companies and to rely instead on mutual funds that specialize in the country's shares.

Among the better-managed funds, ac-cording to brokers here, are JF Indonesia Fund, managed by Jardine Fleming Securities; Indonesian Development Fund, managed by Templeton Investment Management; and Batavia Fund, managed by Morgan Grenfell Investment Management.

Indonesian authorities are taking steps to correct some of the market's deficiencies. The stock exchange is being moved into a new facility that will allow fully automated trading, and the government is drafting a securities law aimed at tightening regulations and bolstering confidence in the market's fairness.

### Mutual Funds From U.S. Face Squeeze in Asia

TOKYO - American mutual-fund operators are

finding out that investing money in Asia can be like sending troops to a battle: Once committed, it is not always casy to retreat.

With most markets in the Pacific Rim region registering big declines this year, American funds "will certainly pay a price to get out,"
says Michael Lipper, president of Lipper Analytical
Services Inc. "Each portfolio
will pay a different price."

Many fund managers, especially in smaller markets, have piles of stock that they cannot unload except at fire

sale prices. Yet they need cash to han-die a wave of fund redemptions in recent weeks by U.S. investors reacting to falling stock prices, such as the more than 12 percent tumble last month in Hong Kong's Hang Seng Index, and rising yields in the bond market.

Investors signaled their flagging confidence in Asian stock markets in November by pulling \$218.5 million out of American mutual funds investing in the region, according to Lipper.

Mutual funds dedicated to Asia were one of the main forces behind the gains in the region's markets last year, when the benchmark index in Malaysia's rose 90 percent and Hong Kong's more than doubled.

Moreover, American investors supplied 91 percent of the \$2.4 billion that moved into funds investing in Asia, excluding Japan, in the first three quarters of 1994 and about 60 percent of the total inflow in the pre-

vious three years, according to Salomon Brothers Inc. Early this month, Amen-

ca's largest mutual fund com-pany, Fidelity Investments, said its customers had taken \$100 million out of its stock funds in November, the first time they had been net sellers in eight months.

Days later, news that Fi-delity's \$37 billion Magellan fund, the world's largest, would cancel a year-end payout to investors because of a calculation error sent minor shock waves through some Asian markets as investors foresaw a rash of redemption-related selling. The Hang Seng index fell almost 7 percent in three days.

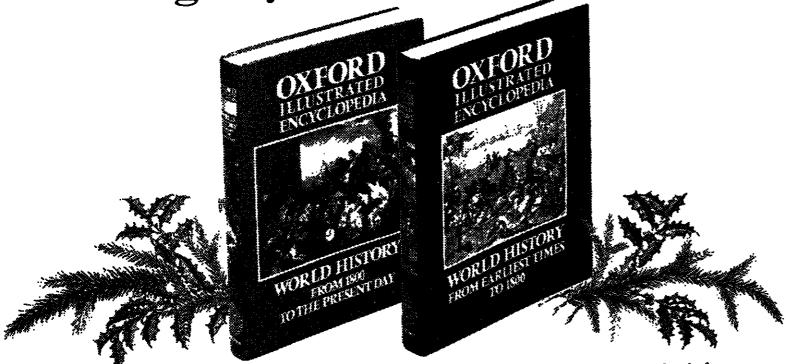
Making matters worse are speculators who are using put options and short-selling techniques in these bear markets, which are ways of betting that certain stocks will fall even further.

Some brokers say the American funds' predicament provides a good oppor-unity to buy Asian stocks.

Once the funds have adjusted their holdings to reflect demand back home in America, they say, Asian markets will cease to be as vulnerable to shifts in U.S. investors' views - and investors in Asia can start paying attention to such basics as corporate profits and booming economies.

The Vickers Ballas Investment Research Ltd. brokerage house, in fact, has already sounded the call. Its strategy report for 1995 recommends buying stocks of several Pacific countries, saying "buoyant Asian economies" would continue to attract funds.

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Luxembourg	LFr.	14,000	7,700
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## **BOJ Chief Calls Recovery Fragile**

TOKYO — The economy is shit a said it was necessary for Bank of Japan's governor, Yasus Matsushit a said it was necessary for sun Matsushit as governor, Yasus Matsushit as a sun matsus suo Matsushita, told his inaugural news conference Monday.

The central bank governor also said that although the level of nonperforming loans at Jap-anese commercial banks was reaching a peak, it would still be a "long time" before the prob-

He said banks were making slow progress at clearing their balance sheets of bad loans incurred during the speculative real-estate investment boom of the late 1980s and having difficulty selling properties they had taken over as collateral because

of the sluggish market. Mr. Matsushita, who succeeded Yasushi Mieno on Saturday, cited an interruption in the recovery of consumer spending, continued adjustments in company balance sheets and large corporate in-ventories as he said, "We are not in a situation to be optimistic without reserve.

One result of this fragility in the economy, he said, is that "there isn't going to be a hig change in central bank policy."

Mr. Matsushita, 68, said he viewed price stability and the health of Japan's banking system as his two biggest concerns.

As of Sept. 30, Japan's top 21 banks had 13.5 trillion yen (\$134 billion) in nonperforming loans on their books.

Asked whether banks needed to disclose so-called restructured loans, or loans on which crease the transparency of their

management operations.
But he said there was no consensus on how to define and disclose such loans and that the central bank needed to consider the impact of disclosure.

On the central bank's recent move to help two credit unions that had been on the verge of bankruptey. Mr. Matsushita said the Bank of Japan had de-

One week before his retirement, Mr. Mieno surprised fi-nancial circles in Japan by announcing that the central hank would provide public money to set up a bank to save the two

Tokyo-based credit unions. It was the first time in postwar history that the Bank of Japan had agreed to use public money to save financial institutions. "If that were the last such

#### Toyota Expects Sales to Rise And Revises Profit Outlook

TOKYO — Toyota Motor Corp. expects its domestic vehicle sales to rise 10 percent, to 2.24 million units in 1995. President Tatsuro Toyoda said on Monday.

"We finally have begun to see the light at the end of a long tunnel," Mr. Toyoda said at a year-end news conference. He also said he expected his company to beat its initial earnings forecast for the six months to Dec. 31.

Mr. Toyoda attributed the company's improving profitability to its efforts to reduce production costs. He also said he expected demand for automobiles to grow thanks to an income-tax cut in Japan, the introduction of new car models, demand from buyers seeking to replace old cars and interest generated by the biannual motor show next fall.

Toyota's current profit, before taxes and extraordinary items, will be about 10 percent higher than the 130 billion yen (\$1,29) billion) forecast earlier this year, Mr. Toyoda said. Operating profit will come in 20 percent higher than the initial forecast of 70 billion yen, he said. Toyota shares rose 20 yen, or nearly 1 percent. to 2,080 on Monday.

Toyota estimates domestic sales of motor vehicles from all Japanese manufacturers will rise to 6.92 million in 1995. Mr. Toyoda said. That compares with Toyota's forecast for a 0.5 they had waived or reduced in- percent rise in sales, to 6.5 million units in 1994.

nancial institutions still have huge nonperforming assets, so Matsushita's first and foremost task will be to ensure the stabil-

ity of the financial system." Mr. Matsushita, a former chairman of Sakura Bank Ltd., also previously worked in the Finance Ministry, where he held the top administrative post of vice minister before moving to the private sector.

In selecting him as its gover-nor for the next five years, the central bank maintained a tradition of rotating the job between former Finance Ministry bureaucrats and career central bank officials.

(AFP, Bloomberg, Reuters)

■ Government Plans Cuts Japan's Finance Ministry. faced with slumping tax revenue, proposed an austere national budget for the next fiscal year that would cut spending for the first time in 40 years. news agencies reported. Finance Minister Masayoshi

Takemura unveiled a draft budget totaling 70.99 trillion yen for the year starting April 1, 1995, down from 73,08 trillion yen in the current fiscal year. It would be the first decline in the national budget, which includes subsidies to regional governments as well as debt service, since 1955-56.

The budget included a target of 2.8 percent economic growth for the year, a figure many private economists said was too optimistic. (Reuters, AP) optimistic.

#### Luxury Buildings Banned by China

BEIJING — China on Monday banned new luxury construction projects until 1996 and halted golf course and racetrack development, the Xinhua press agency reported. "Launching new luxury projects is obviously inappropriate," it quoted an official of the State Planning Commission as saying, at a time when the government wants more invest-

ment in infrastructure. The official said approval would not be granted until the end of 1995 for luxury projects involving hotels, office buildings or villas. Construction of golf courses, racetracks and other entertainment facilities will be frozen.

A Japanese economist voiced doubt on enforcement by Beijing. "It has issued bans like this before, but provincial and local authorities have ignored them, especially because these sorts of projects are among the most profitable," the economist said. **■** Condition for Color TV Ventures

China will prohibit joint-venture production of color televi-sions unless the foreign companies involved import advanced technology, Reuters reported Monday from Beijing, quoting a report in China Daily.

"No advanced technology, no market; that is the ministry's policy," the minister of the electronics industry, Zhang Jinqiang, told the paper.

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Sydney	Ali Ordinaries	1,900.00	1,897.00	+0.16
Tokyo	Nikkei 225	19,270.85	19,163.43	+0.56
Kuzia Lumpur	Composite	957.25	946.40	+1.75
Bangkok	SET	1,887.78	1,336.47	.+0.10
Seoul-	Composite Stock	1,028.61	1,036.54	-0.77
Taipei	Weighted Price	7,055,30	6,937.33	+1.70
Manila	PSE	2,723.60	2,708.99.	+0.54
Jakerta	Stock index	459,39	458.78	+0.13
New Zealand	NZSE-40	1,927.39	1,924.86	+0.13
Bombay	National Index	1,858,35	1,862.99	-0.25

#### Very briefly:

• Moore Corp. of Canada said it had agreed to sell a stake of 35 \$70 million venture that will include the construction of a factory percent in Toppan Moore Co. to its partner, Toppan Printing Co. of Japan, for 34.4 billion yen (\$342.6 million).

• Alan Bond, the Australian entrepreneur, might be out of bankruptcy by the end of the week amid media reports in Australia that Mr. Bond's personal creditors and those of a family company were prepared to cancel a considerable part of his debt burden.

 Kobe Steel Ltd. and Texas Instruments Inc. plan to invest 50 billion yen to more than double their semiconductor output at a jointly operated plant in Japan.

• Pirelli SpA and PT Kabelmetal Indonesia said they would form a

in Jakarta for fiber optic and power cables.

Honda Motor Co. said it has signed an agreement with Anadolii Endustri Holding AS of Turkey for a joint venture to make and sell motorcycles in that country.

Korea Telecom Corp., South Korea's state-owned telephone company, will lead a consortium to invest \$100 million in a global mobile phone project that will use a network of 12 satellites to allow calls to be made with pocket-sized telephones from anywhere on earth by 1999.

AP, AFP, Knight-Ridder, Bloomberg

This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. If is

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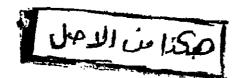
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## **SPORTS**

## Swimming in a Pool of Drugs: How the IOC Netted Chinese Athletes

New York Times Service ATLANTA — As they climbed from the pool on Sept. 30 after a workout in Hiroshima, Japan, 16 Chinese swimmers were met with an unexpected request. Not for interviews, or autographs, but for urine samples.

Suspicion of drug use by Chinese swimmers had reached a feverish stage. Several weeks earlier, the Chinese women had won 12 of 16 gold

medals at the world championships in Rome. Officials from the United States vinced that the Chinese were using illicit, but undetected, substances to enhance their performances, had de-

The Asian Games were set to began in two days. During the games, the winners of each event would have routinely been expected to undergo drug tests. But the Sept. 30 test caught the Chinese off guard. They were surprised, but after

ming's world governing body.

These urine samples, along with others taken during the Asian Games, produced a startling, disturbing result: the first indication of widespread use of a banned anabolic steroid called dihydrotestosterone, commonly known as DHT.

Steroids are used by athletes to ery from workouts and injury. Tests aken during the Asian Games yielded positive DHT results from 11 Chiand other swimming powers, con-nese athletes, seven of them swimmers, including three women's world champions. So many positives among athletes from one country at one event is believed to be unprecedented.

All of the athletes were suspended for two years, which will prohibit them from participating in the 1996 Summer Games in Atlanta, where Olympic officials from 192 nations gathered for meetings last week.

The test results represented a significant breakthrough for Olympic said, referring to DHT. "Systematiscientists, who have been engaged in cally, if it has been used on the order said Dr. Yoshiteru Mutoh, a Japa- a high-tech cat-and-mouse game of trainers and functionaries. I can-

currivent the rules of sportsmanship and fair play.

"This is what makes this occupation so interesting," said Dr. Manfred Donike, a German chemist who is the International Olympic Committee's guru concerning matters of doping control.

The failed tests have led to in-

build muscle mass and speed recov- creased suspicion of institutionalized doping in China, and to broad skepticism about the credibility of China's emerging sports empire.

According to figures provided by Chinese officials, 36 Chinese athletes in various sports have tested positive for banned substances this year, and 45 since 1988. In swimming, there have been 22 positive drug tests since the 1972 Olympics - 13 by Chinese athletes.

"It is my personal impression that, in swimming, the use was at least widespread" by Chinese ath-letes at the Asian Games, Donike

ergy behind it."

For two decades, Donike's laboratory in Cologne has pioneered testing for anabolic steroids. It recorded the first positive result in 1978, and it established the 6:1 ratio of testosterone, the male sex hormone, to epitestosterone, a related hormone, as the point at which a drug test is

considered positive. Drug-test results, called steroid profiles, resemble a pharmacological mountain range, with chemical peaks representing excessive levels of banned substances. Testosterone is produced naturally in both men and women, but is banned when introduced externally as a performance-enhancing substance.

As testosterone metabolizes in the body, one of the by-products pro- for meteoric successes in swimming duced is DHT. It is more powerful than testosterone. Thus, it is effective in smaller, less detectable amounts when used illicitly through injection, tablets or by being rubbed

sample. Until now, however, only since reunification, operated a stateone athlete — a Belgian cyclist in

1992 -had tested positive for DHT, which can be obtained from chemical-supply companies in the United States and Europe, Because there was no perceived widespread prob-lem, only a few of the IOC's 24 accredited drug laboratories routinely tested for the steroid.

"I would not have expected the extent that in one nation, one swimming federation, that DHT would have been systematically used or misused," Donike said of the Chinese.

Still, rumors had begun circulating that DHT had become the latest designer drug. The Chinese women were under suspicion, particularly and distance running. A Chinese woman did not win an Olympic medal in swimming until 1988. Six years later, they were dominating the world championships.

nese physician who collected the with athletes who are using increasurine samples for FINA, swimingly sophisticated techniques to cirmind's world courseling hads.

not say. It is difficult to say what is chemical fingerprints that would coaches from the former East Germathe amount of collective criminal enpositively identify DHT in a urine ny, which, it has been documented sponsored doping program to pro- Dr. Yoshio Kuroda, president of the duce fraudulent athletic excellence.

Beginning with the out-of-competition testing by FINA in Hiroshi-ma, these suspicions about China would be confirmed on an astounding scale.

In Japan, FINA officials simply approached the Chinese swimmers on Sept. 30 as they left the pool and requested an immediate urine sample. To have refused would have meant automatic suspension.

Two Chinese world champion swimmers tested positive in the tests: Yang Aihua for excessive levels of testosterone and Lu Bin for excessive DHT.

Then came a second set of tests, which were conducted during the Asian Games and which also raised the suspicion of DHT use. Both sets of tests were analyzed at the Mitsubishi laboratory in Tokyo, which

tioned labs regularly testing for DHT. With the test results in, Donike was contacted in early October by Asian Olympic Committee.

"Nobody thought the Tokyo lab-could detect DHT," Kuroda said. That's a key point."

On Nov. 27, Donike flew from Germany to Tokyo to examine a redundant set of tests from the 1994 Asian Games. A few days later, the results were announced. Eleven Chinese athletes, including Lu, Yang and a third world champion swimmer Zhou Guanbin, had tested positive for DHT, their steroid profiles show ing pharmacological Matterhorns.

"Young athletes have no knowledge of how to take this," Kuroda. said. "Somebody maybe gave them the drugs."

The Chinese Olympic Committee, which has acknowledged the possibility that coaches and trainers supplied the drugs, is conducting an internal inquiry. The swimmers, who to the skin.

Further adding to suspicion about proved critical to catching the Chihave denied knowingly taking DHT,
In 1988, Donike developed five China was the influence there of nese. It is one of the few IOC-sancare appealing their suspensions.

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World Cup Results

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#### Arizona St. Comes Up Short in OT

The Associated Press

TEMPE, Arizona — Playing for the second time in as many nights, No. 15 Arizona State rain out of energy in the final minute of regulation against Texas-San Antonio.

The Roadrunners made up a seven-point deficit in the final minute, and Phillip Chime's

#### COLLEGE BASKETBALL

layup with 10.7 seconds left in overtime lifted them to an 87-85 upset of the Sun Devils.

Ariz no State (5-2) squan-digred its lead in the final minuse by committing a pair of ternovers and missing two of four free-throw attempts. The Sun Devils' efforts were hindered by the absence of the junior forward Mario Bennett, who fouled out with 1:34 remaining in regulation.

In the only other Top 25 game, then-No. 22 Villanova lest 60-57 to St. Joseph's. The Wildcats dropped out of the Fop 25 on Monday. Arizona State's loss dropped it from 13th to 15th.

Texas-San Antonio (3-2) whitled away at the Sun Devils' 72-65 lead as Marlon Anderson hit a 3-pointer and Thaddeus Wordlaw and Darren Webber added layups to make it 73-72 with 13.2 seconds to play.

The Arizona State guard Isaac Burton made a free throw to give the Sun Devils a 74-72 lead with 17 seconds remaining, but Anderson sent the game to oyertime when he tipped home Webber miss with two-tenths of a second remaining.

Arizona State had rallied to defeat Cal-Irvine, 87-58, on Saturday night.

DENNIS THE MENACE



The Nets' P.J. Brown and Miami's Billy Owens racing for the ball during New Jersey's last-second 103-102 victory.

### Blazers and Drexler Glide Past Knicks

The Associated Press

Clyde can still glide. Clyde Drexler put on a vintage show against the stumbling New York Knicks on Sunday in Portland, Oregon, scoring 33 points, 31 in the first three quarters, as the Trail Blazers rolled to a 111-87 victory.

At age 32, nothing irks Drexler more than the suggestion that his skills are eroding. "What do you mean?," he said when someone said his breakaway slam dunk during the rout may have surprised people who felt he no longer was capable of such moves. "I don't know what you're talking about. I mean, I'm only 21."

Drexler made 14 of 19 field goal attempts and did not have a turnover.

BEETLE BAILEY

FORGET IT

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YOU KNOW THAT STUFF I TOLD YOU LAST NIGHT? WELL

Clifford Robinson added 24 points in quarter, leading Utah to its team-record what was probably Portland's best overall eighth consecutive road victory. effort of the season.

"We haven't played any better than that,

**NBA HIGHLIGHTS** 

that's for sure," Blazers' coach P. J. Carlesimo said.

Rod Strickland added 17 points and 11 assists as Portland's starting guards outscored their New York counterparts 50-15. John Starks and Derek Harper were a combined 4-for-19 shooting.

Jazz 101, Bucks 98: In Milwaukee, Karl Malone scored 27 points and Jeff Hornacek 20, including nine late in the fourth

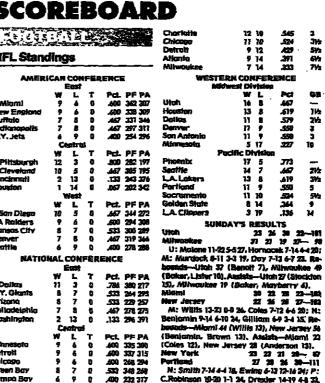
The Jazz, playing their fourth game in five nights, won their lifth straight game overall and sixth in a row against the Bucks. Todd Day led Milwaukee with 23 points, Eric Murdock had 19 and Glenn Robinson 18.

Nets 103, Heat 102: In East Rutherford, New Jersey, Benoit Benjamin scored 12 of his season-high 24 points in the fourth quarter, including two free throws with 2.4 Beston

seconds remaining.

The Nets trailed 84-78 early in the fourth quarter before Benjamin scored nine points in a 22-5 run that gave New Jersey a 98-89 lead with 4:05 remaining.

#### SCOREBOARD



Sunday's College Scores

Vermont 88, Horvard 79 SQUTH Clemson 77, Citodet 66

The AP Top 25

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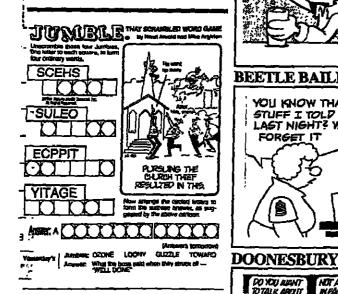
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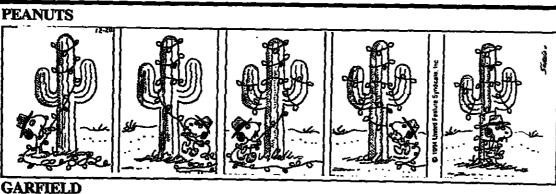


"Remember, the clothes are on my list, just to keep my mam happy."



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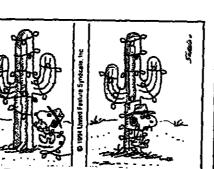
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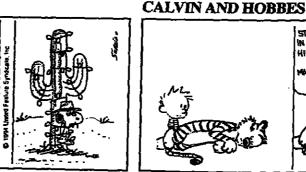
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EASTERN CONFERENCE

**NBA Standings** 







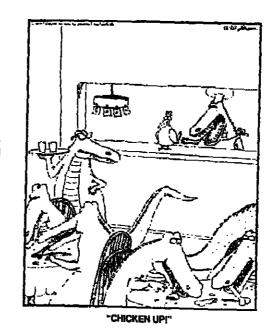
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## **SPORTS**

#### Season's Prospects Dim As No NHL Talks Are Set

NEW YORK — As the National Hockey League lockout entered its 79th day Monday, no talks were scheduled and it appeared that it would be determined this week whether there

The earliest that full bargaining could resume was Tuesday.

"I don't think anybody is kidding ourselves," said the Philadelphia Flyers' general manager, Bob Clarke. "We are running real short of time."

The head of the players' union, Bob Goodenow, told The Canadian Press: "People from both sides were planing on getting together Monday but now that schedule may change. Nothing has been set."

Given the Christmas travel problems, if full talks begin Tuesday or Wednesday, negotiations likely would adjourn Friday to allow the participants to return home.

### Owners May Give Last-Gasp Baseball Talks 2d Wind

حكنا من الاعل

talks began slowly Monday, although passe and impose a salary cap if there there was a chance that the twice-de- was not a deal by Thursday.

Selig, speaking from his home in Mil- on that. This group has until Friday to wankee, said Thursday's deadline for make a deal." an agreement between striking players ing. But he said the owners might Monday, basing it on some of the pause once again if the two sides came things they heard from the owners' closer this week.

"We'll see what kind of progress owner, said Sunday. "That's something would be helpful." we'll have to use common sense on."

Computed by Our Staff From Dupatches

On Dec. 15, the owners voted to give
WASHINGTON — What could be the ruling executive council, headed by
the biggest week in the bitter baseball Selig, the authority to declare an im-

layed deadline for implementation of a salary cap could be extended again.

Baseball's acting commissioner, Bud

"That's a date the clubs agreed to," Selig said. "But let's see what happens. At this point, I don't want to speculate

The players were expected to have a and ownership stood for the time be-new proposal in the last-gasp talks on group last week.

"We're hoping for one," said Stan there is," Selig, the Milwaukee Brewers' Kasten of the Atlanta Braves, "That

Only one member of the owners' six-

lies was to join the top two manage- be conducted at a low level, with staff ment lawyers, Chuck O'Connor and meetings rather than full-bargaining Rob Manfred, and a couple of club groups. financial officers.

surprise to the head of the players' continue in litigation.

their one last week," Fehr said. "I have range of approaches, and we'll pursue absolutely no expectations — I'm tak- all of them." ing this day by day. That we're bar-

person negotiating committee was to not talking. But I wouldn't venture a attend the session on Monday. Dave guess as to where this leads us."

Montgomery of the Philadelphia PhilThe talks Monday were expected to

If the talks fail, and the owners take The news that Selig might be willing steps to impose the salary cap that is so to extend the deadline once again, this steadfastly opposed by the players, time past Christmas, did not come as a Fehr warned that the next battle would

"The general point is, if they declare "We've had a lot of deadlines in this an impasse and implement the cap, thing that haven't meant much, whether it was our original strike date or Fehr said. "We believe we have a wide their one lost much."

gaining at all is better, of course, than make a deal, but we've been negotiat-

ing among ourselves," he added.
"There's been very little movement on the other side, and it takes two."

Last week, the two sides thought they were making progress. Manage-ment's bargaining team expected a-new offer from the union on Wednesday, but the owners left after no offer was made. Union officials claim they never promised a new plan.

Some people on the players' side believe the owners would prefer put ting the salary cap in place rather than negotiating a deal that might require some compromise. Kasten emphatically denied that.

Il of them."

"As forcefully as I can tell you," he.
"We've been trying all the way to said, "it is not true. It never has been

### A Slew of Postseason Unknowns Remain Missed Opportunities Keep Dolphins and Patriots Uncertain

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Most of the teams in the National Football League hoping

The New England Patriots could have clinched a playoff berth if Seattle had beaten the 106 yards and a touchdown. Los Angeles Raiders at night, but John Kasay missed a 43-

#### NFL ROUNDUP

yard field goal attempt with nine seconds left and the Sea-hawks lost, 17-16.

victory in Indianapolis, but the Colts made a goal-line stand in

the closing minutes and held on for a 10-6 victory.

The Pittsburgh Steelers, aiready assured a playoff berth, wrapped up the AFC Central and home-field advantage through the playoffs with a 17-7 victory over Cleveland.

In the NFC, San Francisco is the West champion and Dallas 1982. has won the East. But the Central lead is shared by Minnesota, Detroit and Chicago, and all three - along with Green Bay

-might wind up in the playoffs. Miami (9-6) is tied with New England (9-6) atop the AFC gett scored on a 5-yard run with Cast. Miami, already in the 3:54 left and Brad Daluiso Cast. Miami, already in the 3:54 left and Brad Daluiso playoffs, wins the division if kicked an 18-yard field goal both teams finish with the same with 54 seconds left as the Girecord. The Patriots get into the ants (8-7) sent the Eagles (7-8) DIAYOHS WILL A VICLORY

(10-5) are the champs, with the ball. Then, Eddie Murray Kansas City (8-7) and the Los missed a 44-yard field goal at-Angeles Raiders (9-6) still in the

wild-card running. In the NFC, Dallas (11-3) is chances for a playoff berth.

with the New York Giants Chiefs 31, Oilers 9: Joe Monin with the New York Giants (8-7) and Arizona (8-7), a 28-7 winner over Cincinnati, possi-

ble for the playoffs.

Raiders 17, Seahawks 16: Los Angeles escaped at the King-dome when Kasay missed after earlier making three field goals, including a 50-yarder.

with a first down on the Raiders' 10 in the fourth quarter when a remote-control car appeared on the Kingdome field.

Monday in some Herald Tribune: The game was delayed for a couple of minutes and the Seahawks stalled with a penalty, a passes and New England over-

run for no gain and two incomplete passes. After Kasay made a 33varder, the Raiders took the lead 22 seconds later on Jeff Hostetler's 77-yard pass to Tim

**ACROSS** 

ø The "k" in 24-k.

1 Gymnast

14 "Where'er ! —— ..."; Goldsmith, "The Traveller"

15 Family stories

16 Keep in stitches

Spurred by a towel-waving, re-cord crowd of 60,808 at Three have a chance to reach the Su-Rivers Stadium, Pittsburgh won to improve their postseason its seventh straight game. chances failed to do so Sunday. Neil O'Donnell threw a 40-

yard TD pass to Yancey Thigpen and Barry Foster ran for Colts 10, Dolphins 6: Dan

Marino moved Miami to a first down at the Indianapolis 2 in the closing minutes, but could not produce the go-ahead touchdown. Dewell Brewer returned a punt 75 yards for a touchdown for the Colts (7-8). The Miami Dolphins would The playoff-bound Dolphins have won the AFC East with a can clinch the AFC East with a triumph over Detroit.

Cardinals 28, Bengals 7: In Coach Buddy Ryan's first season, Arizona assured its first nonlosing season since 1984. The Cardinals (8-7) must beat Atlanta on Saturday and then have Dallas beat the Giants and the 49ers beat Minnesota to make the playoffs for the first time since the strike season of

The visiting Bengals (2-13) lost their fifth in a row. Giants 16, Eagles 13: New York survived some last-second drama in Philadelphia to win its fifth straight game. Dave Megto their sixua consecutive loss.

go on Saturday. Time appeared to run out in the AFC Central, the with the Eagles driving. But af-Steelers (12-3) are the winners, ter the referee put two seconds with the Browns (10-5) in as a back on the clock, Bubby Brister, subbing for the benched In the West, the Chargers Randall Cunningham, spiked

The loss ended Philadelphia's

tana, out for two weeks with an injured left foot, came back in time to revive the Chiefs' playoff hopes. His two touchdown passes helped host Kansas City end a three-game losing streak.

A victory next week over the Raiders would give Kansas City Seattle (6-9) was ahead 13-10 a wild-card playoff spot. Hous-rith a first down on the Raid-ton (1-14) lost its 11th in a row. In earlier games, reported Monday in some editions of the

> Patriots 41, Bills 17: Drew Bledsoe threw three touchdown came a 17-3 deficit. The crowd of 56,784 was the smallest at a noustrike game in Buffalo since Sept. 20, 1987.

New England won its sixth in a row. The Patriots are trying for their first playoff spot since Steelers 17, Browns 7: 1986. The Bills were eliminated,

per Bowl for the fifth straight year - and win it for the first

Chargers 21, Jets 6: Stan Humphries threw three touchdown passes and San Diego surged after linebacker Junior Seau sidelined New York quarterback Boomer Esiason with a concussion in the second quarter in East Rutherford, New

the division title and a playoff berth after having lost their previous two games and missing a chance to wrap up the AFC West both times. The Jets were eliminated from the playoffs with their fourth straight loss. Packers 21, Falcons 17: Brett

The Chargers (10-5) clinched

Favre scrambled 9 yards for a touchdown with 14 seconds that kept Green Bay in the play-off picture and eliminated At-

The Packers (8-7) played their final game in Milwaukee after 61 years of playing a portion of their home schedule there each season. Atlanta (6-9) lost quarterback Jeff George to a broken finger in the first quarter.

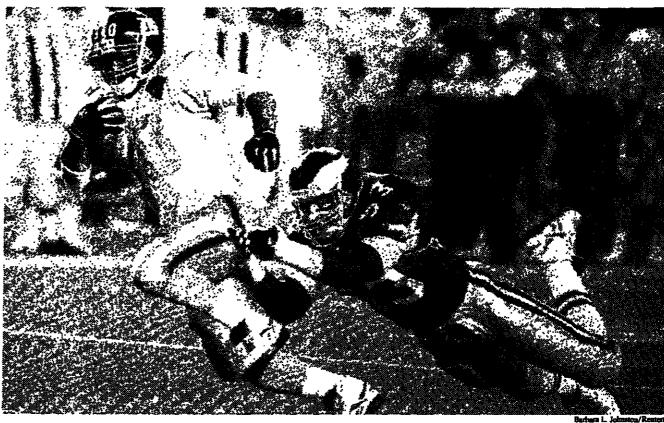
Bears 28, Rams 13: Raymont Harris and Lewis Tillman scored on short touchdown runs for Chicago (9-6) at Soldier Field. Steve Walsh had a 3yard TD pass to Keith Jennings as the Bears sent Los Angeles (4-11) to their sixth straight

**Buccaneers 17, Redskins 14:** Washington, in Coach Norv Turner's first year, wound up its first winless season at home. Tampa Bay won its fourth straight, its longest winning streak since starting 5-0 in 1978. The Redskins (2-13) set a

team record for most losses in a season. They lost their seventh

in a row, their longest losing

streak since 1964-65.



The Giants' Dave Meggett eluding Bill Romanowski's tackle en route to New York's 16-13 triumph in Philadelphia

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#### Big Time Isn't Stuff Of Dreams in NAIA

PORTLAND, Oregon — In the smallest version of college football, the biggest emotions are often on display. There are no athletic scholarships at these schools and no big professional contracts on the horizon. The love of the game drives these players.

When Westminster of Pennsylvania beat Pacific Lutheran, 27-7, for the NAIA Division II title Saturday, two quarterbacks played in their final games.

One walked off the field in elation and could not stop

talking about how good it felt to leave a winner. The other barely held back tears and put off for as long as he could taking off his uniform for the last time.

"To be a senior and know you'll never play the game again for the rest of your life, to leave as a champion is a dream you have from the very first minute you play the game and I started when I was 8 years old," said Westminster's Sean O'Shea.

"I've lost two championships, one was here last year and when I was in high school, at Three Rivers Stadium," he added. "I would not go to my grave 0-3." O'Shea threw two touchdown passes as the Titans (12-2)

dominated the Lutes in a rematch of the 1993 title game. Last year, Pacific Lutheran's quarterback, Marc Weekly, threw for 442 yards as the Lutes won 50-20. This year, Karl Hoseth, a senior, was the quarterback. But

the Lutes (11-2) couldn't move the ball consistently, and Hoseth threw three interceptions.

"I felt in some ways it was one of the hardest seasons for awhile for me to deal with," he said. "But we kept at it and these last few weeks have been the greatest way to end this career." He didn't want it to end. He was the only player in the interview room who was still wearing his uniform.

"I just wanted to keep my pads and my jersey on as long as I could because this is the last time I'm going to be wearing a Pacific Lutheran uniform," he said as his voice cracked. "People dream about playing at Miami or, in Washington, to play for the Huskies," Hoseth said. "But my dream since I

was little was always to play for Pacific Lutheran, and my

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#### ART BUCHWALD

#### Thanks for the Money

WASHINGTON — I was jogging past the Capitol the other morning when a Democratic congressman, Doug Anderson, stopped me and said, "Are you a member of the middle class?"

"You better believe it." I told him. "Everyone who knows me says that I'm

middle class." "Then," he said, putting his hand into his briefcase and pulling out a fistful of dollars, "you are entitled to a tax cul."

I was embarrassed to

Buchwald accept it. "I thought you people were trying to balance the budget." I said.
"We are, but that doesn't

mean we can't afford to give the middle class a little 'walkingaround' money. After all you are hard-working, God-fearing, salt-of-the-earth people and a credit to the class you repre-sent," Anderson explained. П

I was about to take the cash when a Republican named George Cloutier came up to me and said, "Don't take his money! The Republicans are prepared to offer you twice as much relief as the Democrats can come up with. We'll even throw in a capital gains reduction of 50 percent.

#### City of Culture for 1995

LUXEMBOURG -- Luxembourg will take over from Lisbon as the European City of Culture in 1995. Already on the program are the Spanish tenor José Carreras, the American choreographer Merce Cunningham and the Vienna Symphony a tax cut will cost the country, you can't afford it.'" Orchestra.

"That's very nice of you," I said to Cloutier.

"But won't your cuts add to the national deficit?"

"Of course not. The less taxes people pay, the more they can take home and spend. That will encourage investment in the country and create jobs for the cheats on welfare.'

Cloutier went to his briefcase and pulled out a bunch of Orange County, California, deriv-

"What are those?" I asked Cloutier.

"They're as good as gold," he assured me. "Take them to any brokerage house and trade them in for cash. By the way, this is only for the middle class. Do you have any proof that you are one of them?

"All my suits are from Sears Roebuck, my shoes are from Thom McAn, and I have a dog named Spot."

Cloutier smiled, "That's good enough for me."

Anderson was furious that the Republicans were stealing me away. He said, "We'll give you a tax cut of 25 percent and an additional 25 percent off the

price tag."
I took the money and ran. As I was jogging past the White House, President Clinton came out and spoke to me. "I notice by the way you are perspiring that you are a middle-class person and I would like to give you a tax cut."

"I was just given one on Cap-itol Hill," I told the president. He said, "Mine is more breathtaking than anything they're offering, and it doesn't conflict with my strict fiscal

"How can you afford to do

that?" I asked.
"We have a saying in Washington: 'If you have to ask what

## A New Message From a Classic South African Novel

By Bill Keller New York Times Service

JOHANNESBURG — James Earl Jones recalls that when he was offered the lead in a new film adaptation of Alan Paton's classic, "Cry, the Beloved Country," his first reaction was: "Wouldn't that be a museum piece?"

The novel, after all, predates the official racist order called apartheid. It has been for decades a staple of high school and college reading lists. It has been dramatized twice before. as an acclaimed Broadway musical and a rather less-acclaimed film.

What can it possibly say afresh to a world that has watched South Africa's convulsive rebirth as a democracy? But the makers of the new production. who recently concluded 12 weeks of filming here with an eye to opening at the Cannes film festival next May, convinced Jones that in this 46-yearold standard they had found the perfect first film of the new South Africa.

They may be right. In both its light and its darkness, in its devotion to the redemptive power of reconcilia-tion but also in its reminder that, as Jones put it, "there's a bottom to that bucket," Paton's story has much in common with the South Africa of Nelson Mandela.

"It's all about the wisdom of forriveness," said Darrell Roodt, the South African director best known for the musical "Sarafina!" We didn't have to change anything. The tone is exactly the same as it was in the 1940s. If we'd made it five years ago, it would have had more of an anti-apartheid stance. But now we can tell the story with hindsight."
"Cry, the Beloved Country" is the

story of a rural Zulu parson, Stephen Kumalo, who journeys to Johannesburg in search of his missing son and sister. In the maelstrom of the city he discovers that his sister has fallen into prostitution and his son has been arrested for the murder of a white man.

In their mutual grief at the loss of sons they never really understood, the fathers of the murderer and the murdered man become friends across the racial divide.

The book's hopefulness is held short of sentimentality by ominous screenplay, was partly to blame. The

reminders that the country is choosing up racial sides and running out of patience. "I have one great fear in my heart," says the young black priest who becomes Kumalo's guide in the city, speaking of his country's whites, "that one day when they turn to loving

they will find we are turned to hating. Contemplating the current relevance of the character he portrays, Jones said: "Stephen Kumalo is a man of abiding gentleness that must be celebrated, because that's what got us to this point without the bloodshed we have seen in Somalia and Bosnia. South Africa could have gone that way."

But Jones does not see the character as naive -- "he is almost poetically aware" - and the actor says he balked when Roodt described the parson, in a planning meeting, as "humble." "I said, 'I don't buy that," Jones mused at the studio north of Johannesburg where he was performing his final scenes.

"Gentle, I buy. Humble to me means you give away something of yourself. I think he's a very selfish man. He's as selfish as Christ was; he's saying gentleness can work, and he's going to impose it on everybody." Upon its publication in 1948, the

book's success was instant and be-yond Paton's wildest hopes. By the time Paton died in 1988, more than 15 million copies had been sold in 20 languages, including Zulu.

Paton, whose life as a writer, educator and politician is the subject of "Alan Paton: A Biography," an engrossing new profile by Peter F. Alexander (Oxford University Press). fell out of favor with many campaigners against apartheid. He opposed tactics like trade boycotts and came to favor the idea of a federation of ethnic states as a stepping stone

toward majority rule.

By Paton's lights, the two previous efforts to dramatize his masterwork were failures. The 1951 British film directed by Zoltan Korda is recalled mainly as one of the earliest appearances of Sidney Poitier, playing the young Soweto preacher who showed Stephen Kumalo around the urban jungle. Paton found the movie plodding, for which he, as a partner in the

James Earl Jones as the parson Stephen Kumalo in new film version of "Cry, the Beloved Country."

movie was a failure at the box office. "It was a bit too much on the nose " Roodt said. "It was too aware that it was the anti-apartheid film."

Jones brought a cassette of the 1951 version with him to study, and said he admired Canada Lee's performance of Kumalo as "a stalwart oak." His own Stephen Kumalo, he said, would be less oaklike, perhaps more Christlike in his almost dogmatic insistence on turning the other

"Young people will probably feel more comfortable with Canada's than mine," Jones said. "There's something very unsettling about someone who insists on turning the other cheek. Because we're all afraid

we won't survive that way.' "Lost in the Stars," the 1949 stage adaptation by Maxwell Anderson with music by Kurt Well, was a critical triumph, although Paton loathed everything about it but the music.

Alexander suggests that Paton, who was religious and hopeful, found the Broadway version too agnostic and bleak. The subtitle of "Cry, the Beloved Country," after all, is "A Story of Comfort in Desolation." "Lost in the Stars" found little cause for com-

The new version aspires to be more faithful to the author's intent, and to his prose. Much of the incantatory narrative, biblical in its cadence and evocative of rural Africa, is voiced over in Jones's familiar baritone, with what he calls "my attempted Zulu accent."

The production was filmed on South African locations that are drenched in history.

One night Winnie Mandela, the estranged wife of President Mandela, dropped by to watch Jones, as the country parson, arrive bewildered in a Pretoria square transformed by period street lights and vintage buses into

PEOPLE

1940s Johannesburg. The backdrop was the Palace of Justice where in 1964 Mrs. Mandela watched her husband being sentenced to life imprison-ment. The trial of Kumalo's son, Absalom, was filmed in courtroom C, where Mandela was tried.

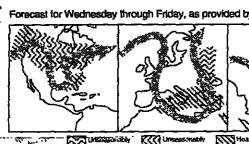
Aside from three leading players \_ Jones, Richard Harris as the father of the murdered white man and Charles Dutton as Stephen Kumalo's brother, a duplicatous firebrand the cast and crew are South Africans.

The screenwriter, Ronald Harwood. who was an Oscar nominee for "The Dresser," is South African-born.

Anant Singh, the South African producer, said he bought the rights to the novel six years ago, planning to hoard the story until he could make it as a celebration of the country's freedom. "Of course, Paton never imag-ined that it could ever happen in this century," he said.

#### **WEATHER**

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Europe

North America Unusually mild weather for late December will be the rule from Calgary to Deriver to Chicago to Boston late this week. A storm could lash an area from Washing-There could be episodes of dense fog in London and Paris late this week. A storm will bring soaking rains to istanbul late in the week.

Middle East

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THE Rolling Stones wound up the North American segment of their world tour with a performance in Vancouver, British Columbia, on Keith Richards's 51st birthday. The group will take a three-week break for the holidays and resume the tour in January in Mexico City.

The columnist Mike Royko was hand-cuffed, put in the back of a patrol car and charged with drunken driving and resisting arrest after a two-car accident in suburban Chicago, the police said. Royko, 62, who writes a syndicated column for the Chicago Tribune, was slightly hurt but refused treatment. The other driver was treated at a hospital and released.

Vincent Canby, the Sunday theater critic of The New York Times, has been named chief theater critic. David Richards, The Times's chief theater critic since 1993, is returning to The Washington Post as national cultural affairs correspondent.

In a Christmas tradition of her own Princess Diana is expected to join her estranged husband, Prince Charles, and Queen Elizabeth for only part of the royal



Keith and Mick: That's all for '94.

holiday observances, according to British newspapers. Diana plans to see her sons, William, 12, and Harry, 10, open presents

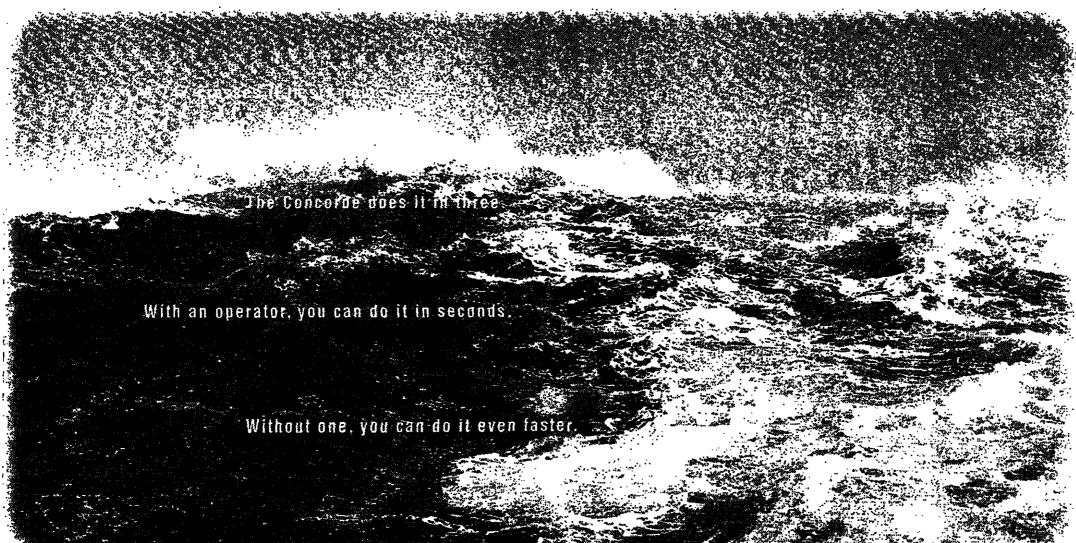
on Christmas Eve and attend church on Christmas with the queen and Charles. But she'll duck out of lunch, as she has done since separating from Charles in 1992.

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SPORECAST. Page (

"Little Women" wasn't exactly a bodiceripper, but another novel written by Louisa May Alcott is finally headed for print, "A Long Fatal Love Chase" was sold to Random House for an undisclosed amount by a collector of Alcott memorabilia, Kent Bicknell. It should be published next year, according to The New Yorker magazine. The story of a strong-willed young woman stalked all over Europe by her first lover was rejected in 1866 by Alcott's publisher as "too long and too sensational." "This is an adult book, and it's not just for dusty scholars," Bicknell told the magazine. "It's for people at the beach."

Bruce Springsteen won a legal battle on Monday to prevent Dare, a small British record company, from releasing a double album of songs he made before he became famous. "Prodigal Son" contained tracks recorded in 1971 at a studio in New Jersey. Springsteen released his first record in 1973, shortly after signing with Columbia.



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